

COVID-19 in Africa

one year on:
Impact and Prospects

KEY FINDINGS

2021 FORUM REPORT

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MO IBRAHIM FOUNDATION

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Chapter

01.

Health –

Lessons from the pandemic: an urgent call to strengthen Africa's health capacities



With prior experience of pandemics, most African countries moved swiftly to contain COVID-19, deploying some of the fastest travel bans globally and rolling out contact tracing capabilities. The first wave of the pandemic was relatively late and mild compared to other regions, but the subsequent waves are proving more devastating. More concerning, weak statistical capacities in Africa may mean that the full extent of the overall COVID-19 impact is underestimated. Meanwhile, the toll from other lethal diseases, neglected by the current focus on COVID-19, is high and, if not addressed, could result in excess deaths from malaria being more than from COVID-19 in sub-Saharan Africa.

Host to 18% of the world's population, Africa remains barely protected and squeezed out of the vaccine market, which is dominated by developed countries, in many ways mirroring the diagnostics market. Under the committed leadership of the African Union (AU) and Africa Centres for Disease Control and Prevention (AfCDC), the continent has stepped up its purchasing power to independently secure vaccine doses to supplement the currently insufficient international support mechanisms. However, this is still not enough to reach the 60% threshold of population coverage needed to ensure collective immunity, and Africa might not be adequately covered before 2023. This situation prevails despite clear and repeated warnings that no one will be fully safe until everyone is vaccinated globally.

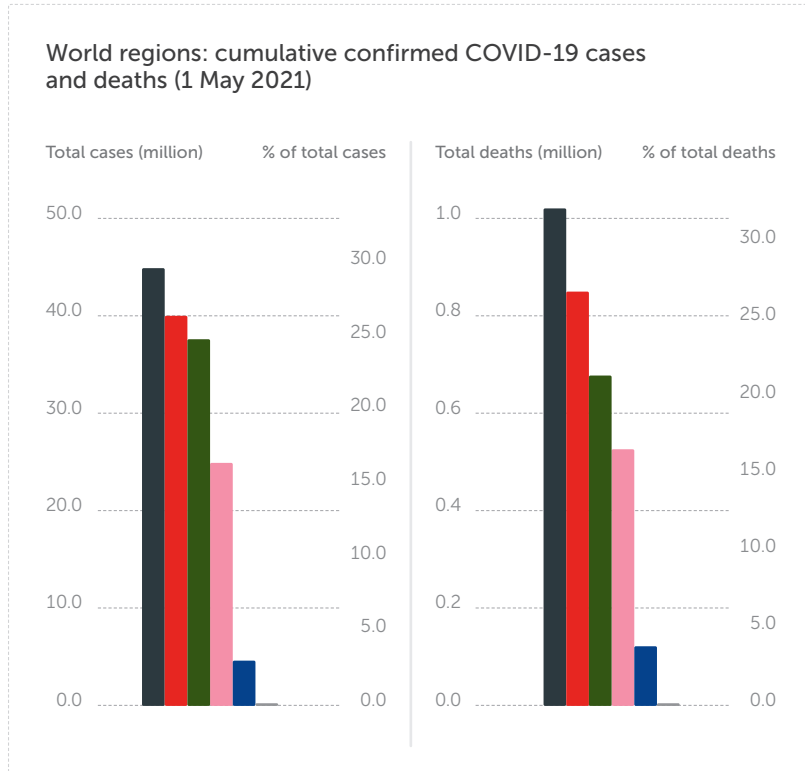
More generally, the pandemic has laid bare the weakness of basic health capacities in Africa, resulting from insufficient domestic financial commitment, inadequate infrastructure and a concerning brain-drain of Africa's medical human resources.

Looking forward, Africa's ability to ramp up its vaccine manufacturing capacity is also crucial. Independence in vaccine supply is a matter of security for a continent whose population is set to continue to grow steadily, while deadly diseases and viruses are set to multiply. Be it in vaccine production or more general medical and pharmaceutical areas, scaling up Africa's capacities also means potential significant economic opportunities for African economies, including job prospects.

1. THE PANDEMIC EVOLUTION OVER THE FIRST YEAR: AFRICA HIT LATER AND MILDER

a. Africa: only 3% of global cases, unevenly spread over the continent

Africa accounts for 3.0% of global confirmed cases and 3.8 % of global reported deaths.



Africa: 3.0% of confirmed cases globally

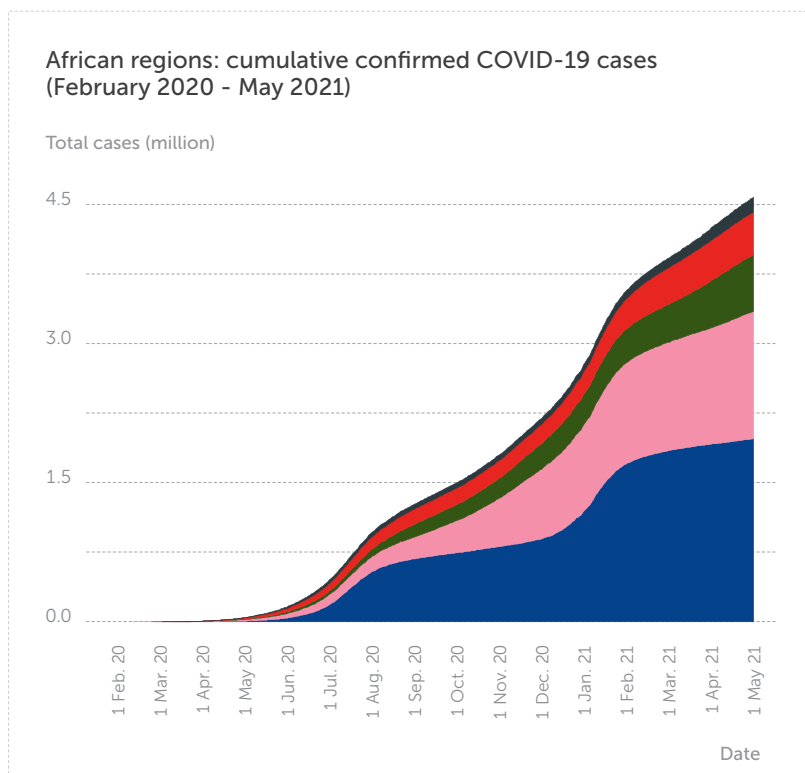
Africa: 3.8% of reported deaths globally

- Europe
- Asia
- North America
- South America
- Africa
- Oceania

Source: MIF based on John Hopkins University

However, the continent’s average case fatality rate (2.7%) is higher than the global rate (2.1%) (1 May 2021).

Northern and Southern Africa are hardest hit, while the recovery ratio is lowest in Central Africa.



43.1% of cases and **50.9%** of deaths in **Southern Africa**

30.0% of cases and **32.8%** of deaths in **Northern Africa**

13.3% of cases and **9.3%** of deaths in **Eastern Africa**

10.1% of cases and **5.0%** of deaths in **Western Africa**

3.5% of cases and **2.1%** of deaths in **Central Africa**

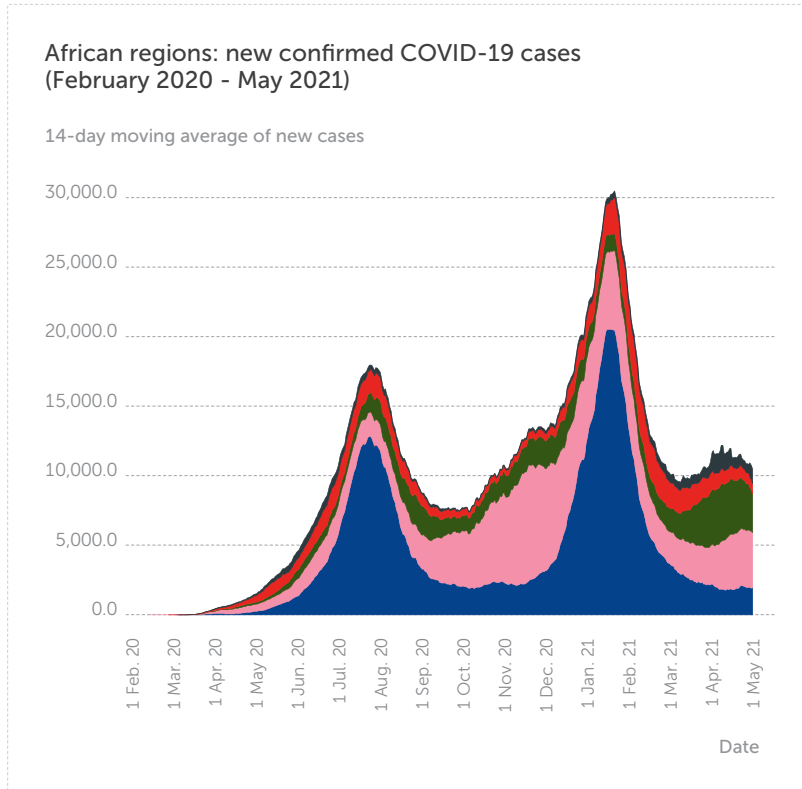
Northern and Southern Africa together account for **73.1%** of confirmed cases

- Central Africa
- Western Africa
- Eastern Africa
- Northern Africa
- Southern Africa

Source: MIF based on John Hopkins University

The first wave hit Africa later and milder. The second is significantly stronger, and some countries have already entered the third one.

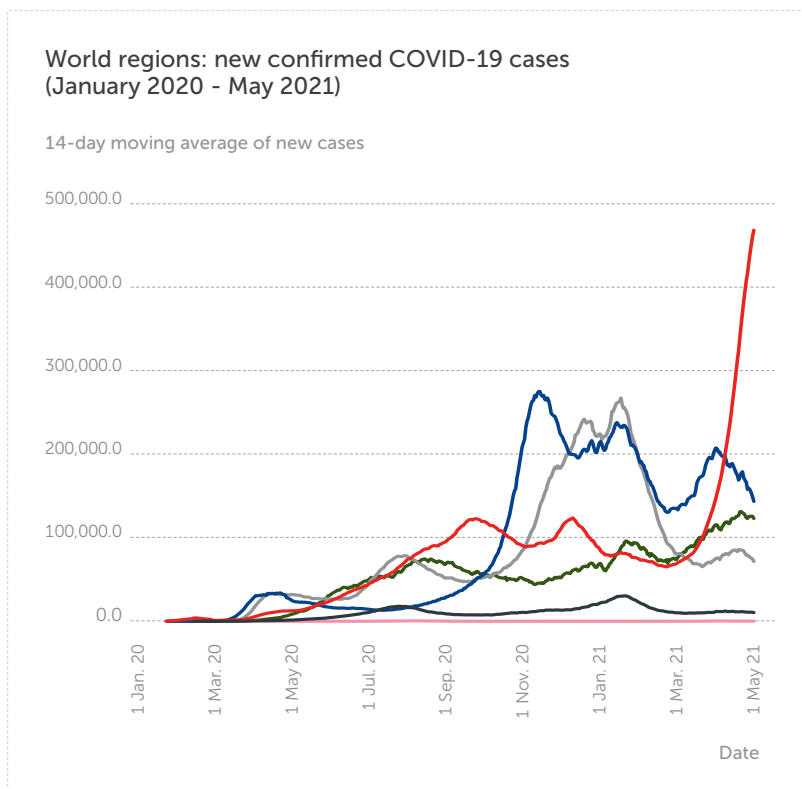
Variants have already appeared in Africa, with the Indian variant present in South Africa, Kenya and Uganda.



At its peak, Africa's second wave saw **about twice** as many new cases per day as the peak of the first wave.

Northern and Eastern Africa are already in their **third** wave of infections.

Source: MIF based on John Hopkins University



While more devastating, Africa's second wave of infection still only saw about as many new cases at peak as Europe's first wave.

The peak of the second wave in Europe, saw about 270,000 cases per day. However, propelled by India, as of 1 May 2021 Asia is seeing over 400,000.

Source: MIF based on John Hopkins University

Poor data coverage: is COVID-19 in Africa underestimated?

The COVID-19 pandemic has brought into sharper focus the fundamental data gaps in Africa, particularly in relation to health and civil registration.

Poor data coverage of health facilities and health outcomes on the continent impacts negatively the crucial timely production of statistics during health emergencies, handicapping evaluation, response and recovery efforts.

Only eight African countries – Algeria, Cabo Verde, Egypt, Mauritius, São Tomé and Príncipe, Seychelles, South Africa and Tunisia – have an adequate death registration system. Without the full registration of deaths, the calculation of ‘excess deaths’ a key indicator of the pandemic’s fallout, is impossible in most countries.

b. The current focus on COVID-19 undermines progress made in the fight against Africa’s most lethal diseases: malaria, TB and HIV/AIDS

Malaria: more excess deaths more than from COVID-19?

According to World Health Organization (WHO), COVID-19 disruptions to current anti-malaria efforts, if not addressed, could result in excess deaths from malaria being more than from COVID-19 in sub-Saharan Africa.

Tuberculosis: back to 2012 levels?

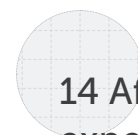
According to the WHO, a decrease in global diagnoses of TB by 25-50% for just 3 months could lead to up to 400,000 additional deaths, returning to the 2012 global TB mortality level.

HIV: back to 2008 levels?

According to the WHO and the Joint United Nations Programme on HIV/AIDS (UNAIDS), a six-month disruption to antiretroviral therapy may result in an additional 500,000 deaths in sub-Saharan Africa, taking the region back to 2008 infection levels with almost one million deaths.

Mental health: a mounting concern, especially among youth

Prior to the COVID-19 pandemic, mental health in Africa was a major concern as most countries with the fewest mental health professionals per 100,000 people are in Africa. For youth, COVID-19 has created mental health challenges due to job layoffs, disease incidence and restrictions on movement and social life.



14 African countries experienced a more than 50% decline in health services, ranging from the provision of skilled birth attendants to the treatment of malaria cases in May - July 2020

2. CONTAINING, TESTING, TRACING: AFRICA'S SWIFT RESPONSE TO THE PANDEMIC

a. Africa has swiftly put in place containment measures, ahead of other regions

By 15 April 2020, 48 African countries had implemented five or more stringent Public Health and Social Measures (PHSM). Almost all countries put in place some form of internal movement restriction within the first month of the first confirmed case.

African countries: introductions of internal movement restrictions and first confirmed cases (February - May 2020)

Day (2020)

1 Feb 11 Feb 21 Feb 2 Mar 12 Mar 22 Mar 1 Apr 11 Apr 21 Apr 1 May 11 May 21 May 31 May



Country/Region

- Algeria
- Angola
- Benin
- Botswana
- Burkina Faso
- Burundi
- Cameroon
- Cabo Verde
- Central African Republic
- Chad
- Congo Republic
- Côte d'Ivoire
- DR Congo
- Djibouti
- Egypt
- Eritrea
- Eswatini
- Ethiopia
- Gabon
- Gambia
- Ghana
- Guinea
- Kenya
- Lesotho
- Liberia
- Libya
- Madagascar
- Malawi
- Mali
- Mauritania
- Mauritius
- Morocco
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- Senegal
- Seychelles
- Sierra Leone
- Somalia
- South Africa
- South Sudan
- Sudan
- Tanzania
- Togo
- Tunisia
- Uganda
- Zambia
- Zimbabwe

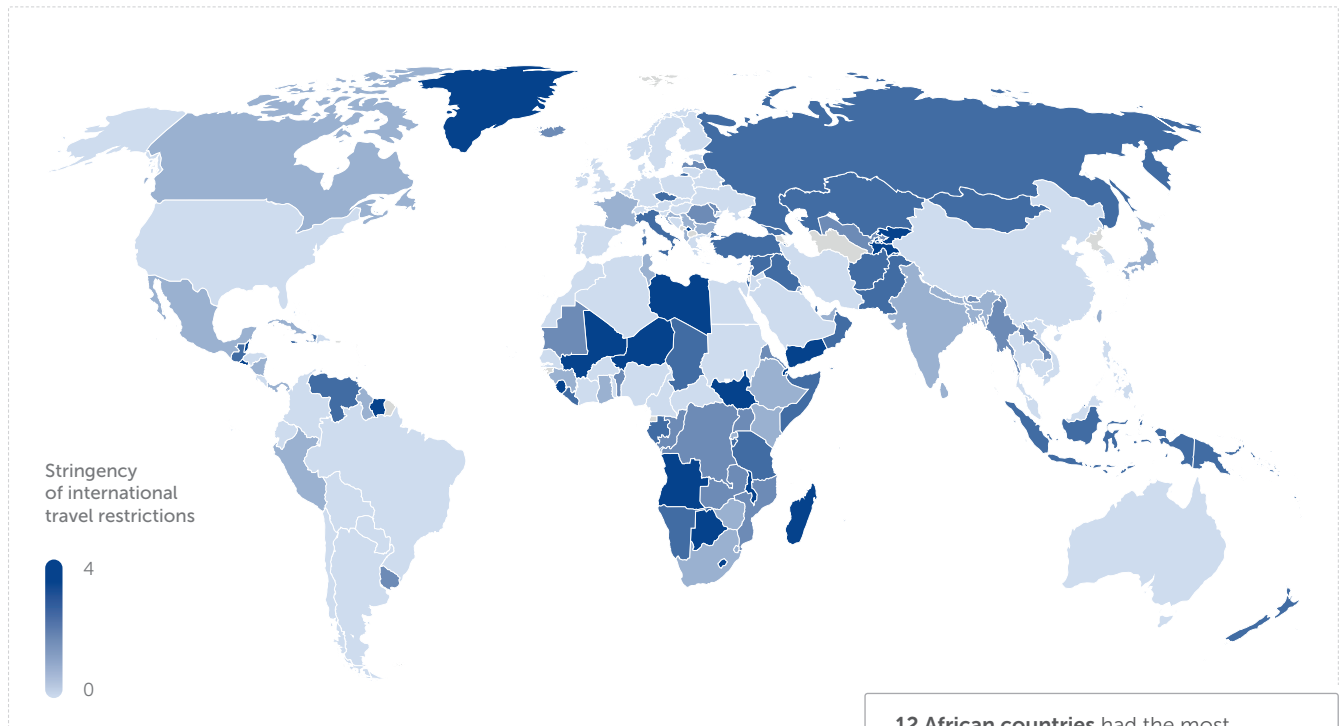
- No measures
- Recommend not to travel between regions/cities
- Internal movement restrictions in place
- First confirmed case

Source: MIF based on John Hopkins University & Oxford Blavatnik School of Government

Robust international travel restrictions were among the fastest in the world

More than half of the 23 countries that had the most stringent restrictions at the date of their first confirmed case are African. 12 African countries had the most stringent restrictions already in place even before the date of their first confirmed case.

World countries: international travel restrictions at date of first confirmed COVID-19 case (2020)



Source: MIF based on John Hopkins University & Oxford Blavatnik School of Government

Note: Levels of international travel restrictions during the COVID-19 pandemic shown in this map range from 0 to 4. They account for the following: 0 - No measures | 1 - Screening | 2 - Quarantine from high-risk regions | 3 - Ban on high-risk regions | 4 - Total border closure

b. Africa has upgraded local testing capacities early, as the continent was priced out of PCR testing

AfCDC has quickly coordinated efforts to increase continental capacity

Diagnostic capacity went from two countries in February to 43 countries by the end of March 2020. All African countries now have lab testing capacity.

By November 2020, 39 countries were reporting more than ten tests conducted for every case identified, as recommended by the WHO.

The continent is priced out of PCR testing

Molecular diagnosis (PCR) testing is the gold standard for COVID-19 testing. Of the 1.55 million cartridges pledged by molecular diagnostics firm Cepheid to low- and middle-income countries, including, only 1/5 has been shipped out so far. At the same time, reagents for PCR testing are now sold in the US and Canada for up to \$50 per cartridge, more than twice the concessionary rate secured for African countries.

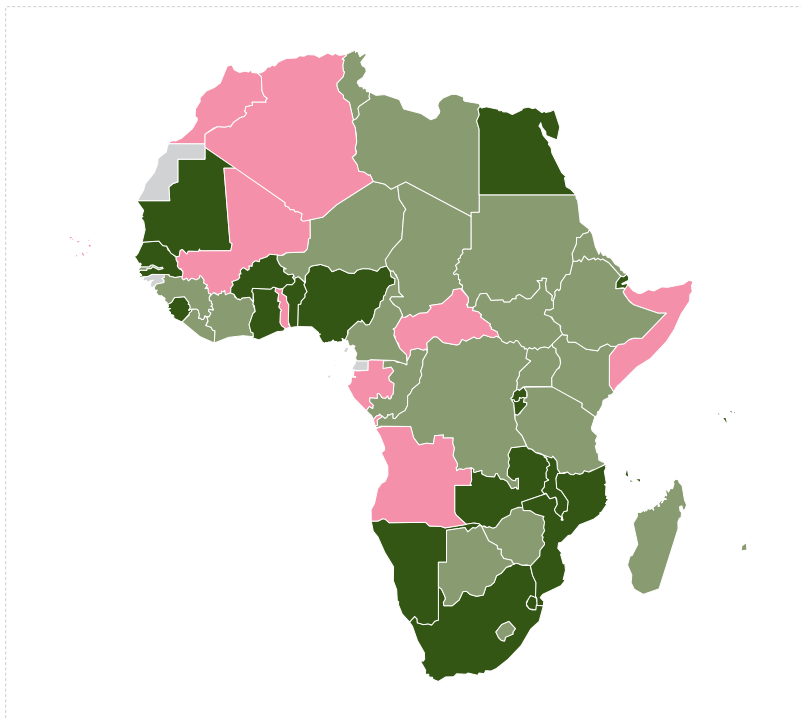
African countries have quickly developed and implemented pooled testing and rapid antigen testing to mitigate resource shortages

Affordable testing kits have been developed and launched by laboratories in Uganda and Senegal, boosting testing capacity and frequency

c. Effective contact-tracing has been quickly put in place in Africa due to a previous history of pandemics

A majority of African countries introduced contact-tracing within two days of the first confirmed case.

African countries: state of contact-tracing within 15 days of first confirmed COVID-19 case (2020)



February 2020: introduction by AfCDC of the Africa Taskforce for Coronavirus (AfTCOR)

April 2020: introduction by AfCDC of the Partnership to Accelerate COVID-19 Testing (PACT)

April 2020: introduction by AfCDC of Guidance on Contact-Tracing for the COVID-19 Epidemic

State of COVID-19 contact-tracing

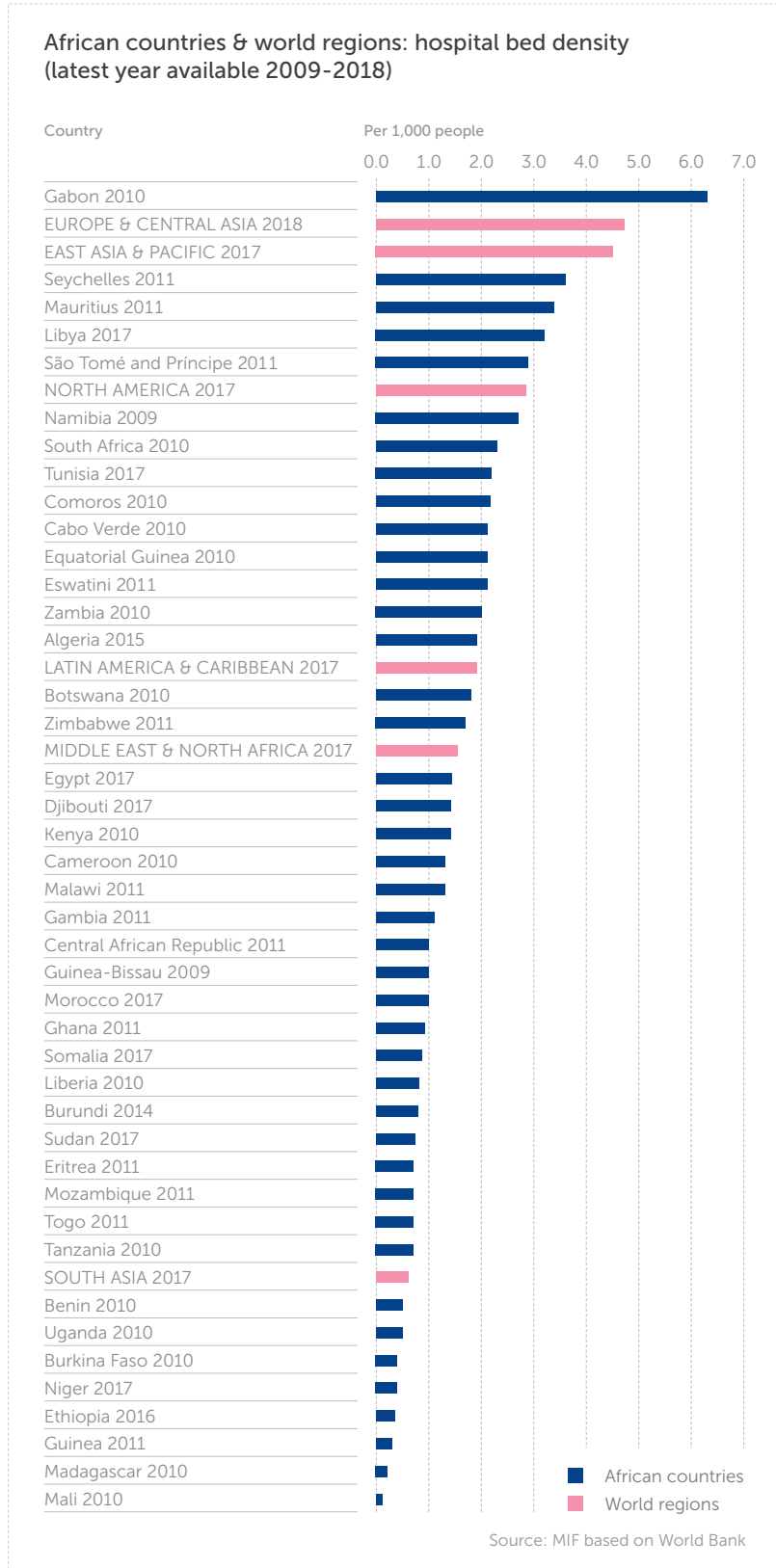
- No tracing
- Limited tracing (some cases)
- Comprehensive tracing (all cases)
- No data

Source: MIF based on John Hopkins University & Oxford Blavatnik School of Government

3. THE CURRENT PANDEMIC IS LAYING BARE THE STRUCTURAL WEAKNESS OF AFRICA'S HEALTH SYSTEM

a. Africa's health capacities are the lowest at global level

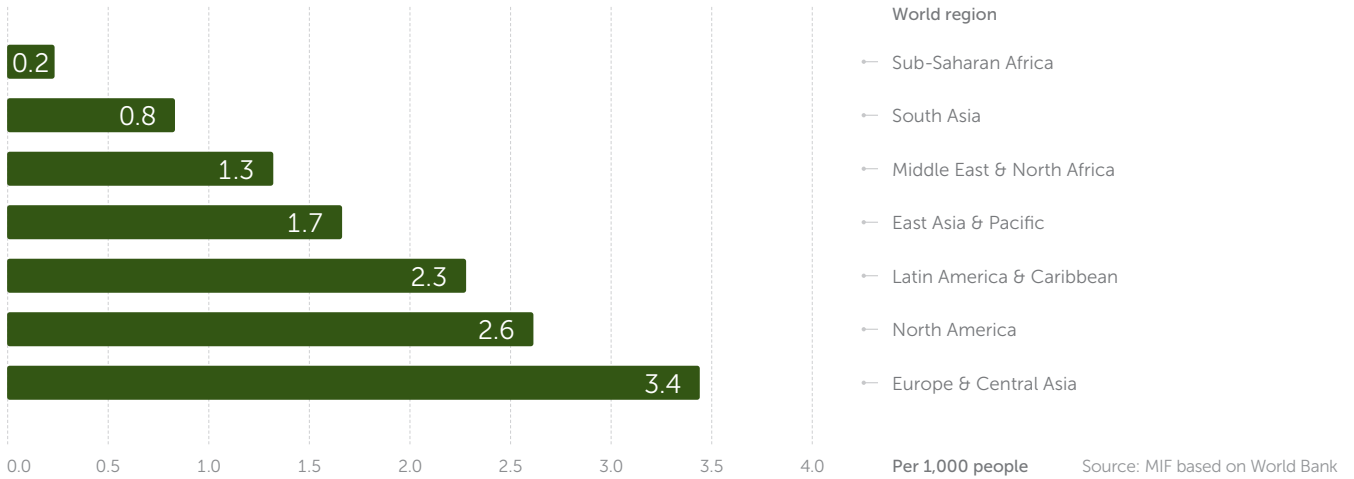
Hospital beds and critical care concerningly low: 135.2 hospital beds and 3.1 ICU beds per 100,000 people.



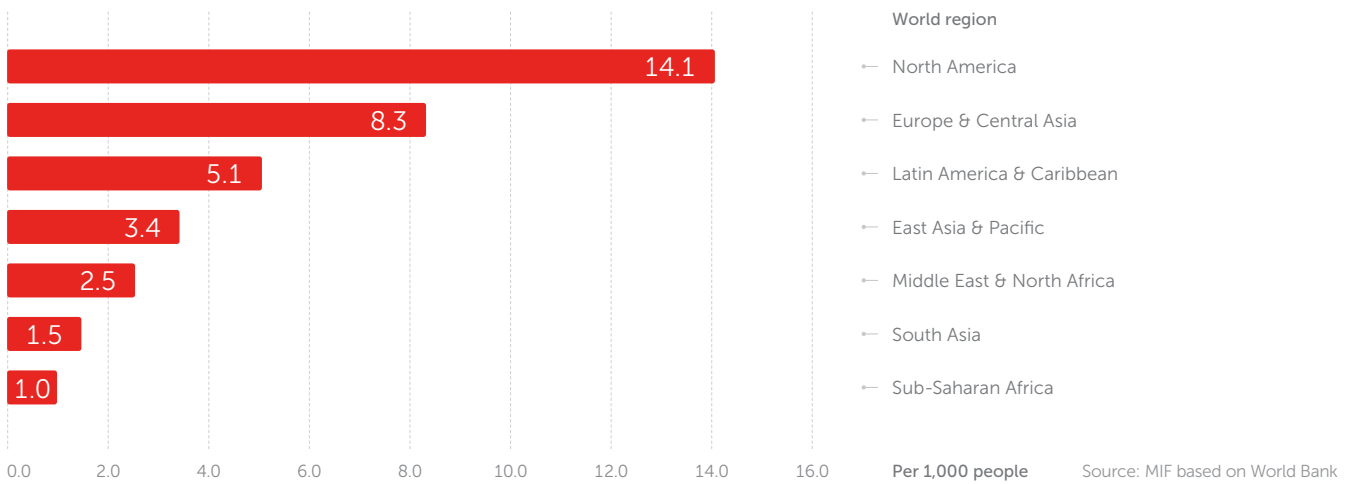
17 African countries have less than 1 hospital bed per 1,000 people, with the three countries with the lowest densities being Mali (0.1), Madagascar (0.2) and Guinea (0.3)

Human resources: 0.2 doctors and 1.0 nurses/midwives per 1,000 people in sub-Saharan Africa, the lowest at global level.

World regions: physicians (2017)



World regions: nurses and midwives (2018)



Brain drain in the health sector exacerbated by COVID-19

One fifth of African-born physicians are working in high-income countries.

In the period 2015-2030, out of the estimated global health workforce shortage of 14.5 million required to achieve the SDGs, Africa has the most severe health workforce shortage, estimated to reach 6.1 million workers by 2030.

b. The infrastructure environment is mainly dysfunctional

In 28% of sub-Saharan Africa's health facilities, access to electricity is unreliable

Survey data from 13 health facilities in 11 sub-Saharan African countries, covering the period 2001-2012, showed that 74% of health facilities had access to electricity, but only 28% of these reported reliable access.

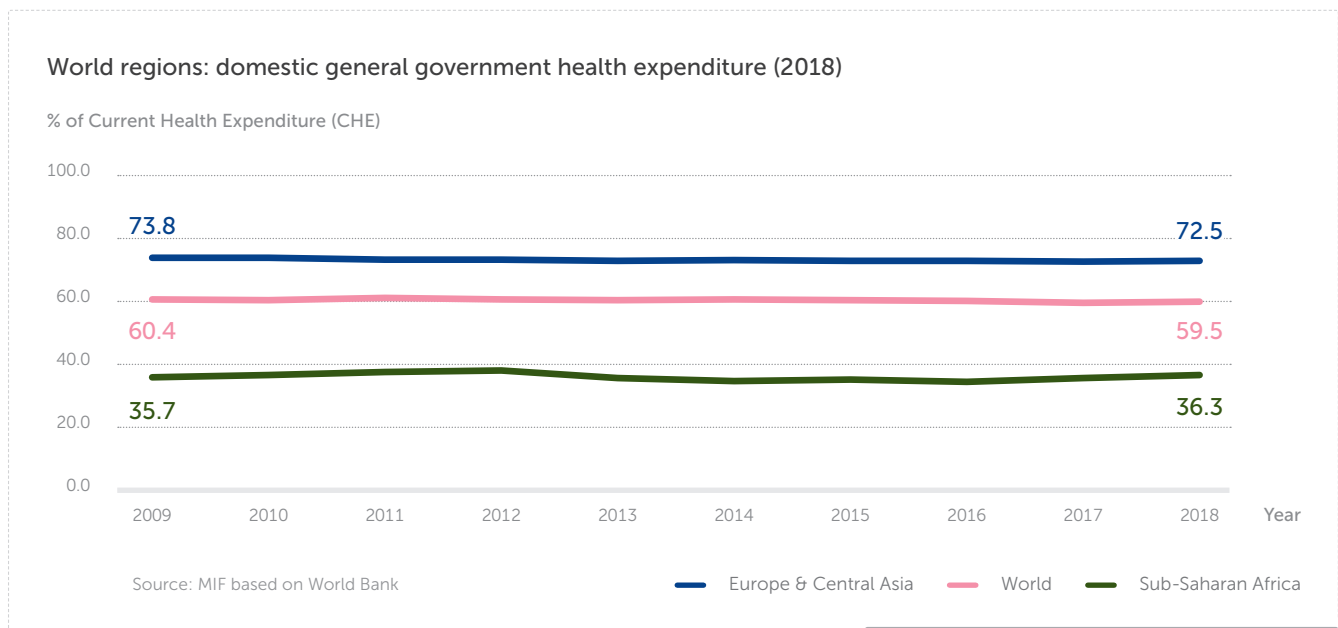
Lack of water and sanitation services is more than double in sub-Saharan African hospitals compared to the global average

In 2018, about 20% of hospitals in sub-Saharan Africa lack sanitation services and 6.5% of hospitals lack water services, compared to global averages of 7.5% and 3.0%, respectively.

c. Health remains a priority overlooked by African governments

Health ranks low in African governments' priorities

In 2018, sub-Saharan Africa spent on average only 1.9% of its GDP on domestic public health expenditure, far below the global average (5.9%).



Domestic private spending on health is higher in Africa than globally and some countries still rely heavily on external support.

The domestic public health expenditure as a share of current health expenditure in sub-Saharan Africa in 2018 was also significantly smaller than the global level (36.3% and 59.5%, respectively).

Universal Health Coverage (UHC): still a long way to go

While all African governments have committed to achieve UHC by 2030, in 2019 only 10 countries provided their citizens with free and universal healthcare: Algeria, Botswana, Burkina Faso, Gabon, Namibia, Mauritius, Rwanda, Seychelles, Tunisia and Zambia.

In 22 countries, healthcare is still neither free nor universal.

d. Preparing for the next pandemic is an immediate priority

The term 'Disease X' refers to a disease that could cause a pandemic due to a pathogen currently unknown to cause human illness. Last year's 'Disease X' has a name: COVID-19.

Emerging zoonotic diseases: the concerning link between health and environment

About 60% of human infections are estimated to have an animal origin. Of all new and emerging human infectious diseases, some 75% 'jump species' from animals to people (zoonosis). Across Africa, the risk of emergence and spread of zoonoses is rising significantly due to an increasing human population and increasing demand for milk, meat and eggs due to rising urbanisation and incomes.

Lessons learned from COVID-19: prevention and preparedness are measured in billions of dollars, a pandemic costs trillions

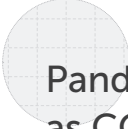
The return on investment for global health security is massive.

Costs of COVID-19	Investments in preparedness
Over \$11 trillion, and counting, to fund the response	Additional \$5 per person annually
Future loss of \$10 trillion in earnings	

Source: Global Preparedness Monitoring Board

"Make it the last pandemic": conclusions from the Independent Panel for Pandemic Preparedness and Response

The main finding of the report published in May 2021 by the Independent Panel is that the initial outbreak became a pandemic as a result of gaps and failings at every critical juncture of preparedness for, and response to, COVID-19.



Pandemics such as COVID-19 are a predictable and predicted outcome of how people source and grow food, trade and consume animals, and alter environments

4. COVID-19 HAS HIGHLIGHTED AFRICA'S GENERAL EXCESSIVE EXTERNAL DEPENDENCY FOR VACCINES

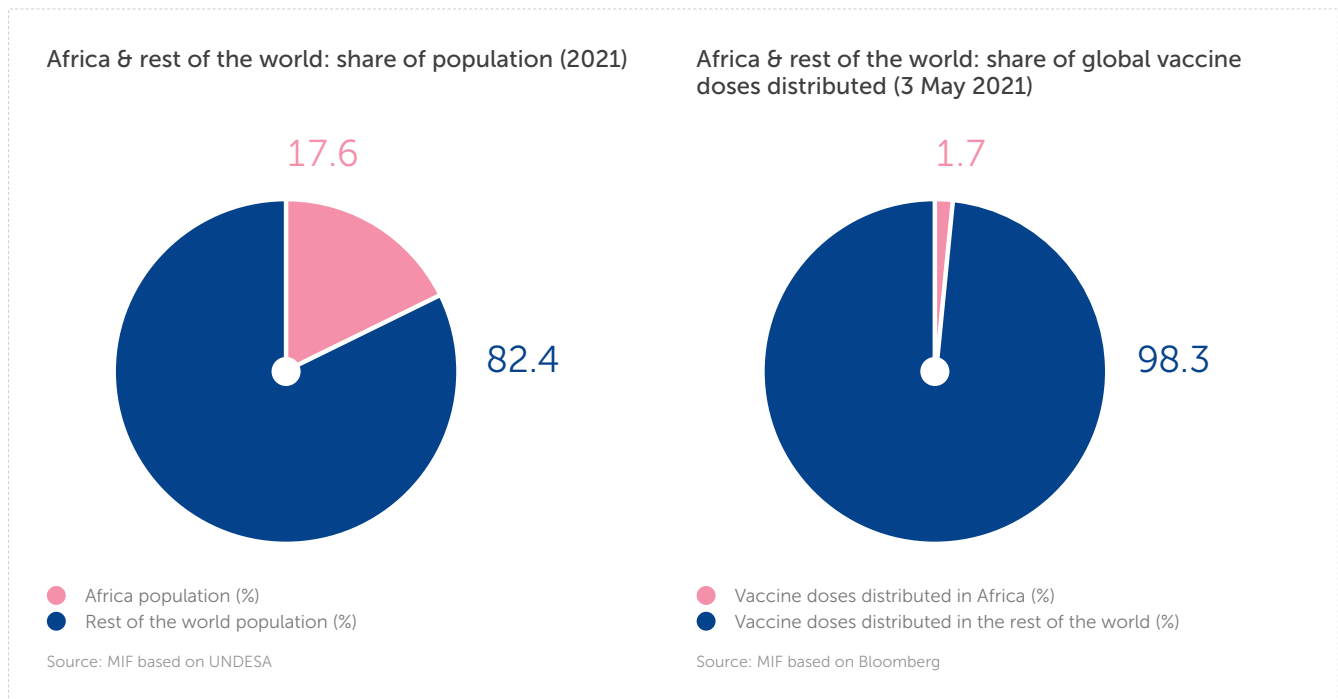
a. Given the current vaccine roll out, Africa might not reach immunity before 2023

COVID-19 vaccine rollout has started last in Africa

In early May 2021, eight African countries had still not kicked off their vaccination campaigns: Burkina Faso, Burundi, Central African Republic, Chad, Eritrea, Madagascar, Somalia and Tanzania.

African countries constitute the majority of the countries globally (five out of nine) with less than 0.1% population coverage by vaccine shots administered as of 3 May 2021.

A striking inequity: while Africa accounts for almost 18% of the global population, it has received less than 2% of the globally administered vaccine doses.



As of 2 May 2021, only 18.8 million COVID-19 vaccine doses have been administered on the African continent.

There could be no herd immunity for Africa until at least 2023

In the continent's poorest countries mass immunisation could not take place until as late as 2024.

Access to vaccines is not all: there are multiple challenging bottlenecks for vaccine distribution on the continent

Inadequate capacities and logistics for storage and handling, limited access to remote areas, scarcity of health workers and vaccine hesitancy are also key challenges to overcome.

b. The 'war against the virus' is nurturing new geostrategic balances

'Vaccine nationalism' is restricting global supply

Most high-income countries are hoarding as many vaccine doses as possible and appear reluctant to share with others until inoculation against the virus is complete within their own borders.

Ad hoc bilateral alliances appear

China, India, Russia and Gulf countries ramp up as vaccine donors.

Multilateral initiatives are welcome, but they are far from enough

Currently, the COVID-19 Vaccines Global Access (COVAX) Facility has committed to cover only 20% of each beneficiary country's population.

As of 3 May 2021, COVAX has distributed 14.5 million COVID-19 vaccine doses to 28 African countries, accounting for almost 30% of the total doses distributed by COVAX globally.

As of mid-April 2021, of the 832 million vaccine doses administered, 82% went to high- or upper-middle-income countries, while only 0.2% went to their low-income counterparts. In high-income countries alone, 1 in 4 people have been vaccinated, a ratio that drops to 1 in 500 in poorer countries.

As of mid-May 2021, COVAX seems to be falling well short of its goal to secure and distribute 2 billion doses by the end of 2021, with only 68 million vaccine doses having been delivered globally, also due to India's deadly second wave which has diverted domestically the vaccines produced by the Serum Institute of India.

5. A WAKE-UP CALL: THE NEED TO ENSURE CONTINENTAL VACCINE AUTONOMY

Africa collectively stepping up its purchasing power

Led by the AU and financed by Afreximbank, the African Vaccine Acquisition Task Team (AVATT) is a continental approach aiming to secure the direct acquisition of vaccines by African countries in order to reach at least 60% of the population.

The Coalition Against COVID-19 (CACOVID) is an example of early commitment from a private sector task force to combat COVID-19 in Nigeria.

a. Looking ahead: securing Africa's own manufacturing capacity

The market is there: Africa hosts almost 18% of the global population and currently represents 25% of global vaccine demand

However, it has less than 0.1% of the world's vaccine production. Almost 99% of Africa's routine vaccines are imported, most of them supplied by a few Indian manufacturers, with the support of Gavi and UNICEF*.

But multiple challenges need to be addressed:

- The proponents of the temporary TRIPS** waiver of patent rights over COVID-19 products (medicines, diagnostics, medical equipment, and vaccines), advocated by South Africa and India, argue that this could allow more widespread vaccine manufacturing worldwide and in Africa. The US now supports this temporary waiver but only when it comes to vaccines.
- But besides intellectual property, multiple challenges remain, including: relevant know-how and skills, strong and accountable regulatory frameworks, adequate infrastructure, effective regional integration, specific financing instruments, private sector commitment and a stronger focus on R&D.

* Gavi, the Vaccine Alliance, and the United Nations Children's Fund (UNICEF)

** Trade-Related Aspects of Intellectual Property Rights (TRIPS)

The Africa Medicines Agency (AMA): a key institution on the road to vaccine autonomy

Established in 2019, the AMA is an AU agency that is meant to regulate medical products to improve access to quality, safe and efficacious medical products on the continent.

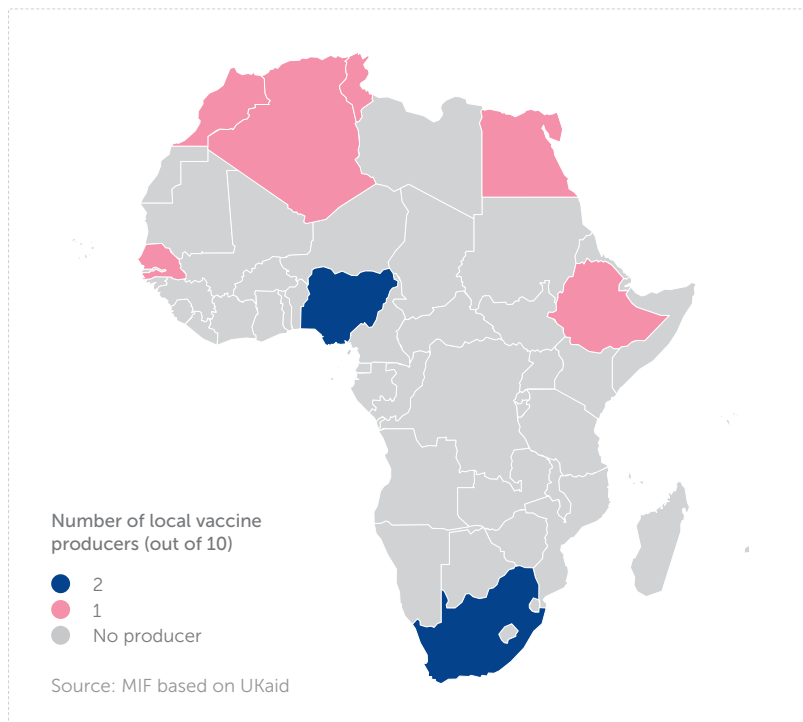
As of March 2021, the treaty had been signed by 19 countries but only ratified by eight out of a required 15 countries.

b. Effective political commitment is critical

Multiple former commitments and frameworks are still unmet

Only a handful of countries have met the Abuja target of spending 15% of their government budget on health, in any given year since 2001, when AU member countries made this pledge.

African countries: local vaccine value chain players (2020)



Only 10 local vaccine value chain players are currently operating in Africa, and they are mostly concentrated in Northern Africa, South Africa and Nigeria

AfCDC's New Public Health Order: A key boost?

The continent aims to upscale local manufacturing of vaccines by 2040:

- 100% of vaccines needed for at least one to three emerging diseases (Lassa fever, Ebola, Rift Valley Fever)
- 30-60% of vaccines for an unknown global pathogen (pandemic)
- 20-60% of the annual routine vaccines needed

This is to be achieved through:

- The new Partnership for African Vaccine Manufacturing (PAVM), setting up five regional manufacturing hubs.
- The new partnership of the AU, the Coalition for Epidemic Preparedness Innovations (CEPI) and the AfCDC, aiming to strengthen pandemic and outbreak preparedness, invest in R&D, talent and technical knowledge.

Chapter 02.

Politics and Society –

Managing the
fallout: setbacks
in democracy
and rights, and
new triggers
for instability



While progress towards Africa's development agendas was off track even before COVID-19, recent events have created new setbacks for human development, notably in education and gender equality, both of which had been progressing until recently.

A generation of Africa's youth have missed school for about 26 weeks on average, with limited or no access to remote learning capacities. Women have faced increased vulnerabilities, including rising gender-based violence.

Contrary to initial misgivings, most scheduled elections in Africa were held despite the pandemic, leading in some countries to peaceful transitions of power. However, other democratic limitations have emerged linked to the often violent enforcement of lockdown measures by state security, and there are new threats to media freedom and information quality. This risks further undermining the already limited trust of Africa's citizens in their political leadership.

Looking ahead, the current pandemic, with its strong economic and social impacts, is bound to create new triggers of instability and insecurity. Protests and riots are on the rise, while existing conflict resolution processes and humanitarian efforts are currently hampered. The attractiveness of extremist groups and criminal networks may flourish as prospects for young people are further squeezed, fake information gains space and security forces focus on the pandemic.

1. RECENT PROGRESS IN EDUCATION AND GENDER EQUALITY COULD BE JEOPARDISED BY THE IMPACT OF COVID-19

Already off track before COVID-19, Africa's progress towards the SDGs & Agenda 2063 is likely to be derailed due to the impact of the pandemic

No African country is on track for 13 of the 17 Sustainable Development Goals (SDGs) and most countries are off track for the majority of the SDGs.

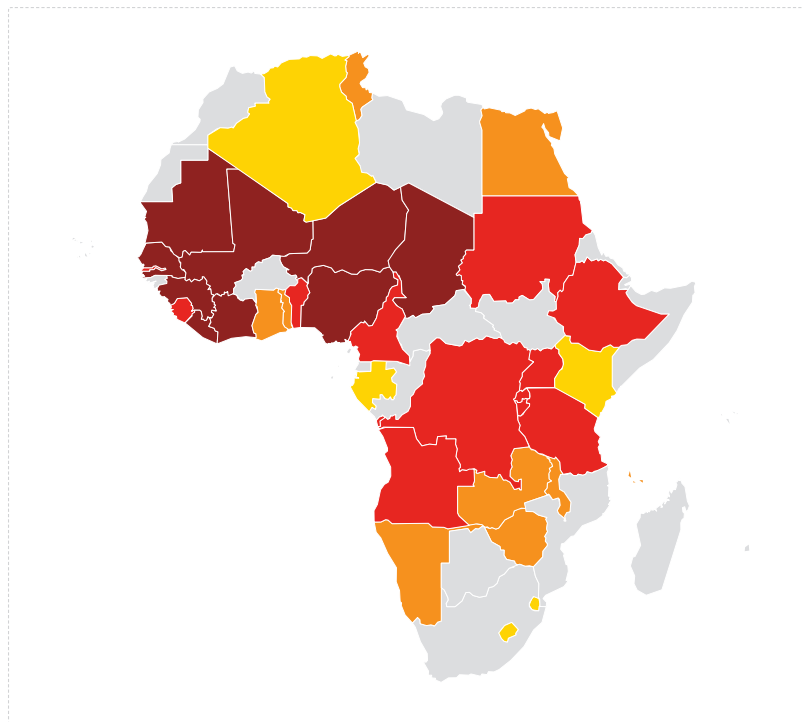
COVID-19 is expected to have some negative impact on 16 of the 17 SDGs.

a. Education: failing a generation of Africa's youth

African schools were closed or partially closed for about 26 weeks between March 2020 and March 2021, roughly equivalent to the global average

Extended school closures may lead to more school dropouts and worsen learning inequalities.

African countries: risk of increase in out-of-school children and learning inequalities due to COVID-19 (2020)



9 countries face an extreme risk and 12 countries a high risk for a rise in out-of-school children and learning inequalities.

Level of risk

- Extreme risk
- High risk
- Moderate risk
- Reduced risk
- No data

Source: MIF based on Save the Children

COVID-19 is likely to exacerbate a pre-existing learning crisis

Even before COVID-19, students' minimum proficiency levels in sub-Saharan Africa were already the lowest globally with a learning deprivation gap of around 20%, double the global average rate.

Due to COVID-19, sub-Saharan Africa is poised to potentially see the largest increase in both the learning deprivation gap and in learning deprivation severity.

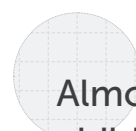
Impact of school closures is worsened by a shortfall in adequate remote learning capacities and the digital divide

In African countries the majority of remote learning programmes across different levels of education are offered via TV, followed by radio.

According to the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Telecommunication Union (ITU), 89% of learners in sub-Saharan Africa do not have access to household computers, 82% lack internet access and at least 20 million live in areas not covered by a mobile network.

School closures worsen food insecurity

At the peak of the pandemic in April 2020, 65.4 million children in Africa were missing out on school meals, with most children affected in Egypt (11.2 million), Nigeria (9.8 million) and South Africa (9.2 million).



Almost 50% of children in sub-Saharan Africa are unlikely to be reached by remote learning

b. COVID-19 threatens to derail recent progress in gender equality

Girls are at higher risk of dropout as well as less likely to benefit from remote learning

Already in 2019, there was a gap of about 4 percentage points between the rate of out-of-school girls and boys in sub-Saharan Africa.

Across eight African countries, the proportion of adolescent girls with ICT skills is on average almost 4 percentage points lower than for young men.

It is estimated that one million girls in sub-Saharan Africa may never return to school due to becoming pregnant during COVID-19 school closures.

Women have less social protection and are at higher risk of both poverty and food insecurity

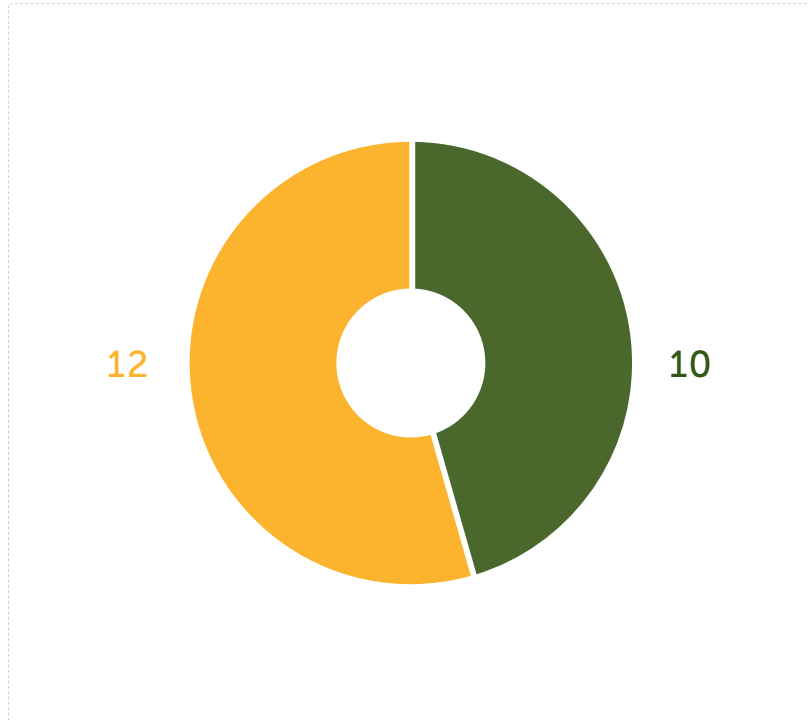
Approximately 92% of women in sub-Saharan Africa work in the informal sector.

In 2021, 132 million women compared to 124 million men are expected to live on less than \$1.90 a day in sub-Saharan Africa.

COVID-19 restricts access to essential health services for women

Maternal mortality rates increased in ten countries compared to 2019, with the largest increase recorded in Comoros, Mali, Senegal and South Africa.

African countries: change in maternal deaths (2019-2020)



A WHO preliminary analysis of 22 countries found that the maternal mortality rate increased in 10 countries between February 2020 and July 2020 with the largest increase recorded in Comoros, Mali, Senegal and South Africa.

- Number of countries
- Increased in February-July 2020 compared to same period in 2019
 - No change in February-July 2020 compared to same period in 2019

Source: MIF based on WHO

The 'shadow pandemic': higher levels of sexual and gender-based violence

Domestic violence across six Sahel countries (Burkina Faso, Chad, Mali, Mauritania, Niger, Senegal) soared from 40.63% before the pandemic to 52.18% during COVID-19, an increase of 11.55 percentage points.

95% of respondents to MIF's Now Generation Network (NGN) survey consider increased gender-based violence and crime a main social and economic impact of the pandemic



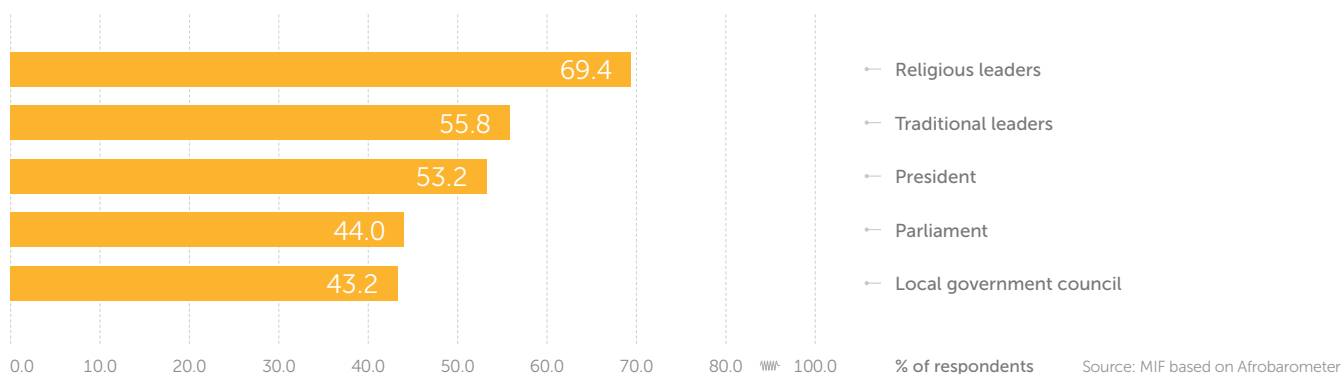
a. Contrary to initial misgivings, most elections were held during the pandemic as scheduled

In Africa, most of the 20 national legislative and presidential elections scheduled for 2020 took place. Only Chad (for legislative elections), Ethiopia and Somalia postponed to 2021. While some countries like Ghana or Malawi found innovative ways to safeguard the electoral process, the pandemic weakened electoral processes in others, such as Burundi, Togo or Uganda.

b. Limited trust in political leadership is at risk of being further undermined

Already before COVID-19, African citizens trusted religious and traditional leaders more than elected leaders.

African countries: trust in leaders (2016/2018)



Though fairly content with their governments’ response to COVID-19, African citizens are concerned about government abuse and corruption.

According to Afrobarometer surveys in five West African countries, citizens:

- are satisfied with their government’s handling of the pandemic: 67%
- are satisfied with their government keeping the public informed about COVID-19: 81%
- trust official COVID-19 statistics: 62%

However, citizens also:

- believe that resources intended for pandemic response have been lost and stolen due to government corruption: 67%
- fear politicians are using the pandemic to increase power and authority: 58%

By September 2020, Transparency International had documented prominent COVID-19 corruption and malfeasance cases in Nigeria, Somalia, South Africa and Zimbabwe, while allegations were also raised in Kenya.

94.5% of MIF’s NGN survey respondents think that corruption, misuse of funds and embezzlement exacerbate the impact of COVID-19 to some or a large extent.

c. Disruptions to democratic practices

Most countries have violated at least one democratic practice

According to the Varieties of Democracy Institute (V-DEM), state responses to the COVID-19 pandemic can imperil democracy through discriminatory measures, derogation of non-derogable rights, an abusive environment, no time limit on restrictions, limitations on the legislature, official disinformation campaigns or restrictions on media freedom.

Of the 44 African countries reviewed by V-Dem, all but Botswana have violated at least one democratic practice as part of their COVID-19 response between March and December 2020.

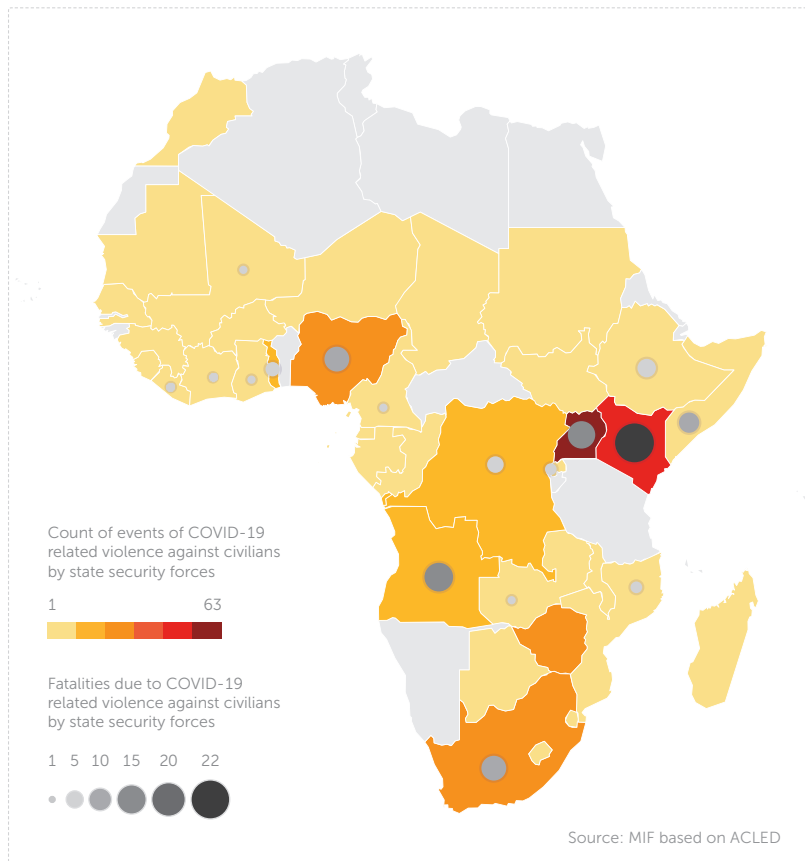
Violence against civilians by state security has increased due to the enforcement of lockdown measures

State violence against civilians increased by +39.0% in 2020 compared to 2019. Almost 20% of all violence committed by security forces against civilians within the first year of the pandemic had a direct link to it.

Civilians in 36 countries experienced COVID-19 related violence by their state, resulting in more than 90 fatalities in total.

64% of experts surveyed by Freedom House think that COVID-19's impact on democracy and human rights will be present for the next three to five years

African countries: COVID-19 related violence against civilians by state forces & fatalities (February 2020-February 2021)



Angola: almost 300 people detained in just 24 hours for violating state of emergency rules and at least four people died through police violence for allegedly not wearing face coverings

Kenya: a teenager was killed on his balcony by a stray bullet during lockdown enforcement by the police

Nigeria: in the early weeks of the pandemic, more people reportedly died through police violence than through COVID-19

South Africa: military enforcement of lockdown measures resulted in police harassment, assault and arbitrary detentions

Uganda: use of force and illegal raids on LGBTQ communities on the basis of breaking lockdown rules

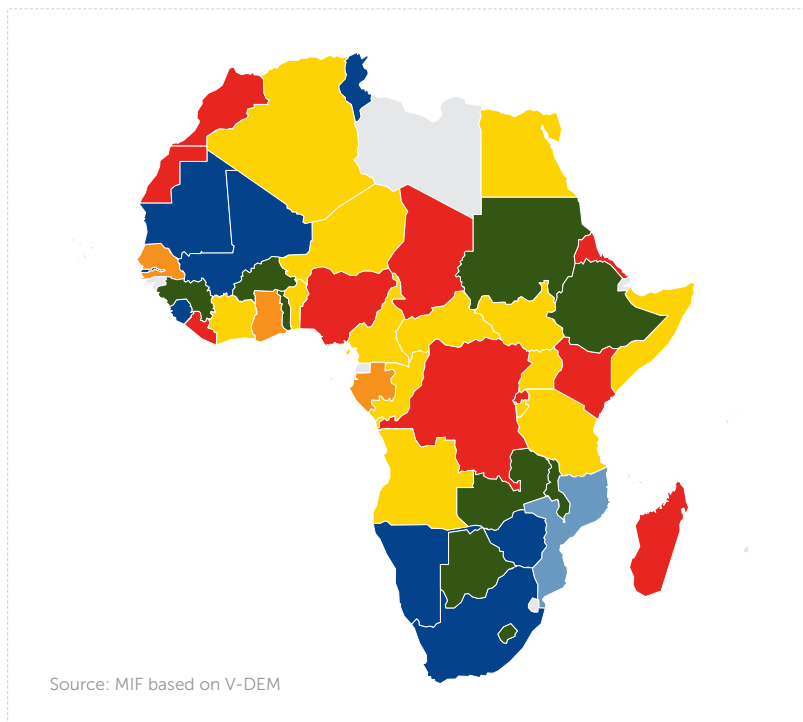
Zimbabwe: persecution of citizens attempting to embark on nationwide anti-government protests and military forces deployed in the capital to enforce compliance with lockdown rules

Media freedom and poor information quality are the most frequent form of democratic violation

In Africa, media restrictions have taken place in 38 countries between March 2020 and December 2020, more than any other form of democratic rights violation.

In 34 countries, the media faced limitations when reporting about the government's response to COVID-19.

African countries: limitations on media reporting in relation to COVID-19 pandemic (March 2020-December 2020)



Republic of Congo: state TV anchor suspended after asking a minister an inconvenient question about COVID-19

Liberia and Nigeria: presidency limited accreditations for press conferences to mostly pro-government media outlets

Madagascar: ban of radio phone-in programmes in which listeners could express their views about the pandemic and the government's response

Rwanda: reprimanding of journalists from covering COVID-19

Type of limitations

- Limitations on media reporting about COVID-19, government's response to COVID-19 and non-COVID-19 related news
- Limitations on media reporting about government's response to COVID-19 and non-COVID-19 related news
- Limitations on media reporting about COVID-19 and government's response to COVID-19
- Limitations on media reporting about government's response to COVID-19
- Limitations on media reporting about non-COVID-19 related news
- No limitations on media reporting
- No data

According to the International Press Institute's (IPI) COVID-19 Tracker, the most common forms of violations in sub-Saharan Africa were arrests and criminal investigations against journalists and media organisations as well as verbal and physical attacks against journalists covering COVID-19.

As elsewhere, fake news and disinformation are common across the continent

According to fact-checking organisations in Africa, more than 1000 misinformation reports had to be debunked since the start of the pandemic, often related to unproven treatments, false cures and anti-vaccine messages. In most African countries (23 out of 44 under review), however, government information never or hardly never differed from official WHO information.

3. THE PANDEMIC REINFORCES TRIGGERS FOR CURRENT INSTABILITY AND INSECURITY

a. Africa is the only continent where levels of violence rose in 2020 compared to 2019

Protests and riots were more frequent in 2020 compared to 2019

Protests rose by +11.2%

Demonstrations rose by +37.5%

Mob violence rose by +78.1%

Most protests and riots took place in Northern Africa and South Africa.

Healthcare workers under attack

In 2020, healthcare workers were attacked in 28 countries in Africa. Almost 20% of attacks against healthcare workers in Africa were a reaction to a COVID-19-related health measure or directly affected the COVID-19 health care response.

b. Ongoing conflict resolution efforts and humanitarian responses are hampered

Conflict resolution efforts: facing many interruptions and the need to adapt

According to the Small Arms Survey, resource reallocation towards the COVID-19 response has already led to reduced resources for small arms control, an essential element of the AU's Silencing the Guns Roadmap.

In many cases, international or national engagement in counterinsurgency were scaled back due to COVID-19, as in the Sahel or the Lake Chad Basin.


Humanitarian aid: unmet rising demands, growing funding gaps, constrained operations

The gap between humanitarian requirements and funding is larger than ever.


According to the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), 35.4 million people, will require humanitarian assistance and protection in 2021. This is an increase of +40.5% compared to 2020, at a time when COVID-19 is increasing access constraints to vulnerable groups.

Large refugee and IDP populations in Africa are particularly vulnerable to the pandemic

In 2020, Africa hosted more refugees and conflict Internally Displaced Persons (IDPs) than at any time in the past ten years. Four of the world's six largest refugee camps are in Africa (Ethiopia, Kenya, Tanzania, Uganda).



More than 85% of African countries have seen at least one peaceful protest or violent riot event related to COVID-19 within the first year of the pandemic



In Africa, 115.2 million people across 15 countries and four regional appeals are expected to need humanitarian assistance in 2021

c. Lack of prospects for youth and rising opportunities for extremist groups

Already an emergency before COVID-19, youth unemployment is worsened by the pandemic impact

Over 12 million of Africa's youth between 15 and 24 (11.2%) were unemployed in 2019.

93.4% of Africa's youth work in the informal sector.

According to Afrobarometer, 71.8% of youth surveyed believe their government is doing a bad or fairly bad job at creating jobs. 52.4% consider job creation the highest priority for additional spending on youth programs.

Rising opportunities for extremist groups

The substantial indirect economic and social impacts of the pandemic could also fuel root causes of insecurity and instability on the continent.

The vacuum created by the focus on the pandemic, in combination with rising socio-economic grievances, declining job opportunities, and increased time spent online, can bolster radicalisation and recruitment into armed groups as alternative means of socioeconomic opportunity.

Some groups like Al-Shabab, JNIM or Boko Haram have integrated COVID-19 into their propaganda to justify their cause.

Others have become service providers, opening clinics (Al-Shabab) or providing medicine (Islamic State branch in DRC).

Chapter 03.

Economy –

Looking

ahead: A key

opportunity

to reinvent

Africa's growth

model



The impact of the pandemic on Africa's economies is arguably more severe than the current health impact. Africa has been hit hard and has less capacity to respond than other regions. The global economic shutdown has driven Africa into recession for the first time in 30 years, with severe repercussions for unemployment, poverty, inequalities and food insecurity.

The economic impact has laid bare vulnerabilities at the heart of the current African growth model. Mainly based on primary commodity exports, with a heavy reliance on externally supplied key goods – including pharmaceuticals – Africa's recent impressive growth has been unequal, created few jobs and left the continent exposed to external shocks.

Additionally, the capacity of African governments to counter the effect of the pandemic on their people and businesses is heavily impeded by limited fiscal space, a complex debt burden, lack of monetary flexibility, and a consequent revenue crunch due to the pandemic impact.

But looking forward, this crisis provides a key opportunity for Africa to define and drive a new growth model that is African-owned, more resilient, more equitable, more sustainable, and more self-reliant. How can the continent capitalise on this unique opportunity not only to solve current vulnerabilities, but also to build back better and stronger?

1. COVID-19 INDUCED ECONOMIC SHOCK: AFRICA'S LOST YEAR

a. Africa enters recession for the first time in 30 years

While economic growth in Africa had been positive since 1991, the onset of COVID-19 in 2020 led to negative growth for the first time in 30 years.

Real GDP declined by -1.9% in 2020, 5 points short of the previously projected +3.8% growth.

The economic impact is uneven across the continent

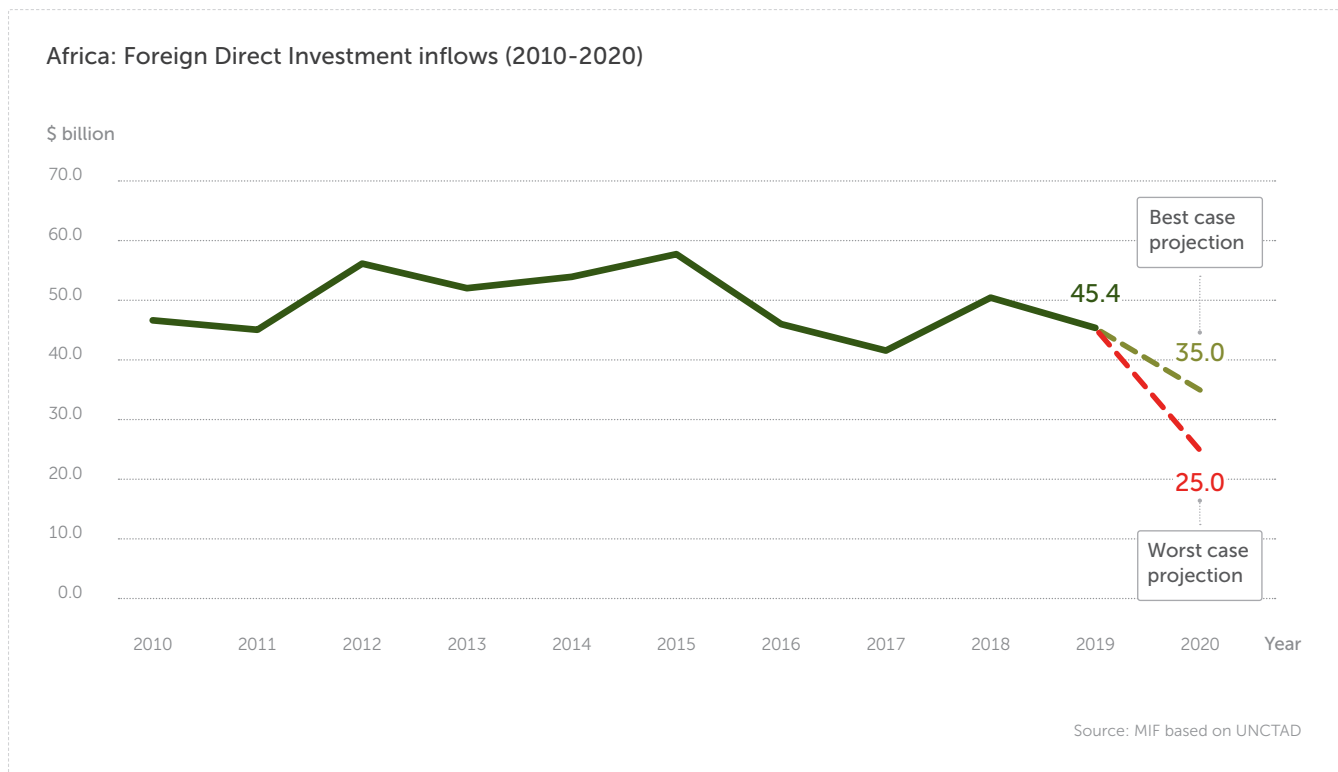
Twelve of the 27 countries worldwide that still managed GDP growth in 2020 were African: Ethiopia (+6.1%), Guinea (+5.2%), and Egypt (+3.6%) were among the top ten fastest growing economies globally.

Twelve African countries experienced GDP contractions equivalent to at least twice the global level (-3.3%): Libya (-59.7%), Mauritius (-15.8%), Cabo Verde (-14.0%) and Seychelles (-13.4%) saw the largest declines.

The pandemic has accelerated pre-existing decline in FDI and reduced remittances to a trickle

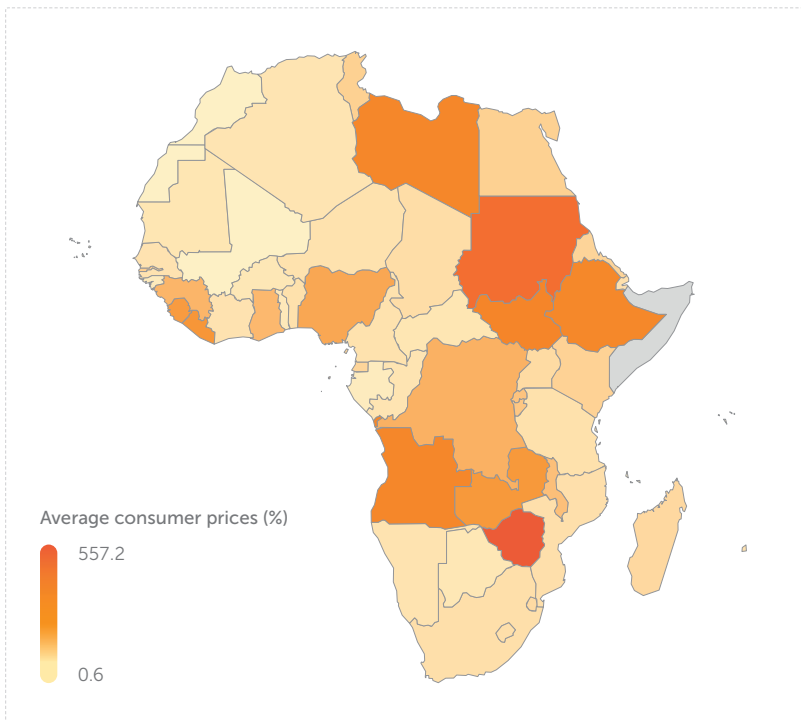
Following an already concerning decline of -10.3% in 2019, Foreign Direct Investment (FDI) could fall up to 40%, according to United Nations Conference on Trade and Development (UNCTAD).

The World Bank expects a -23.1% decline in remittances in 2020, with repercussions on income, spending power and foreign exchange reserves.



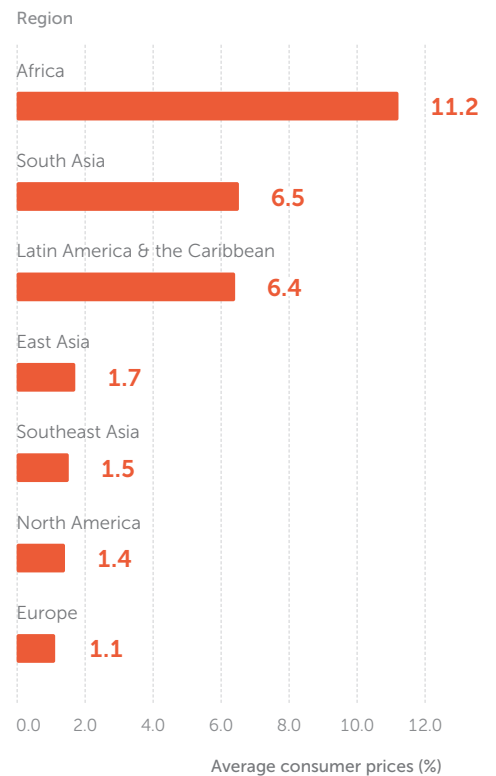
Already high inflation on the continent is spiralling in a few countries

African countries: inflation rate (2020)



Source: MIF based on IMF

Selected world regions: inflation rate (2020)

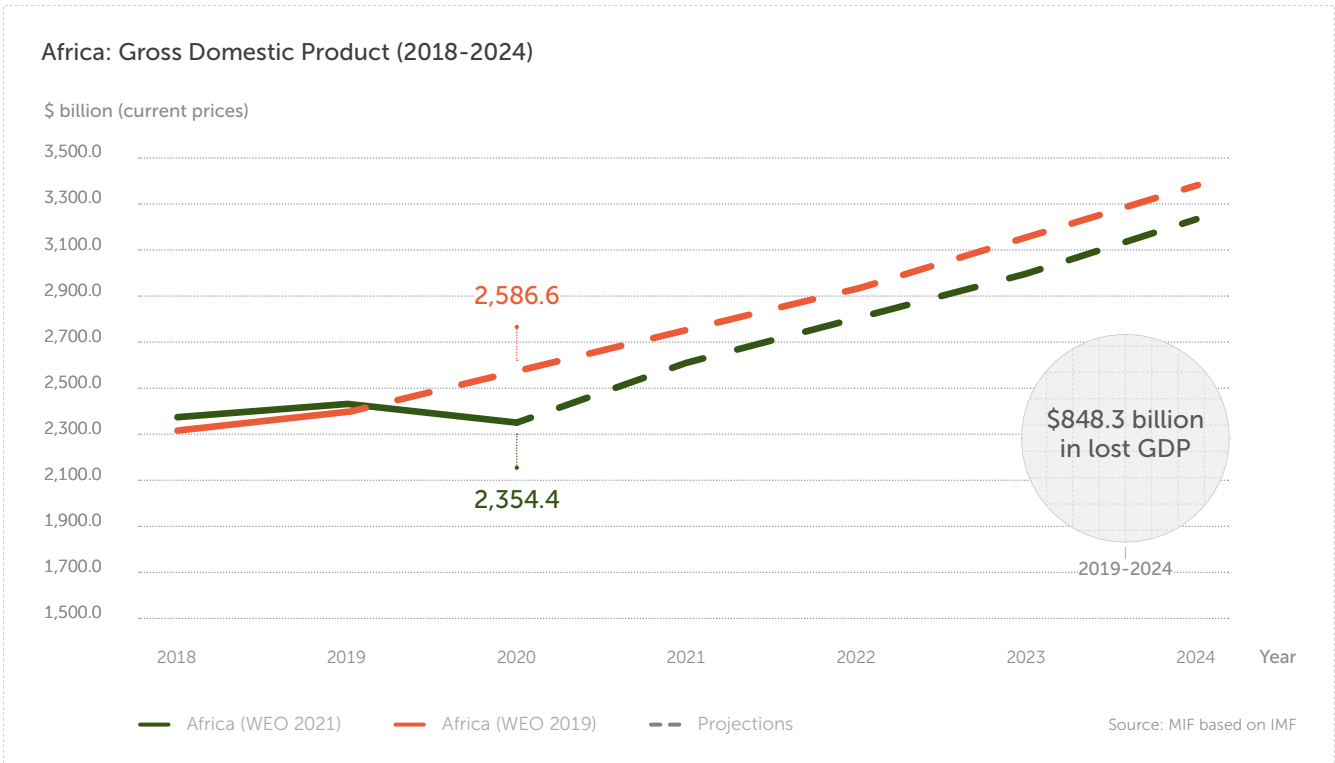


The recovery is expected to be slower than for other regions, still falling short of pre-pandemic projections until 2024

For 2021, the current growth forecast for Africa is +4.9%, below the +6.0% anticipated at global level.

In absolute terms, GDP forecasts for Africa have been revised downwards and fall short of pre-pandemic projections until 2024.

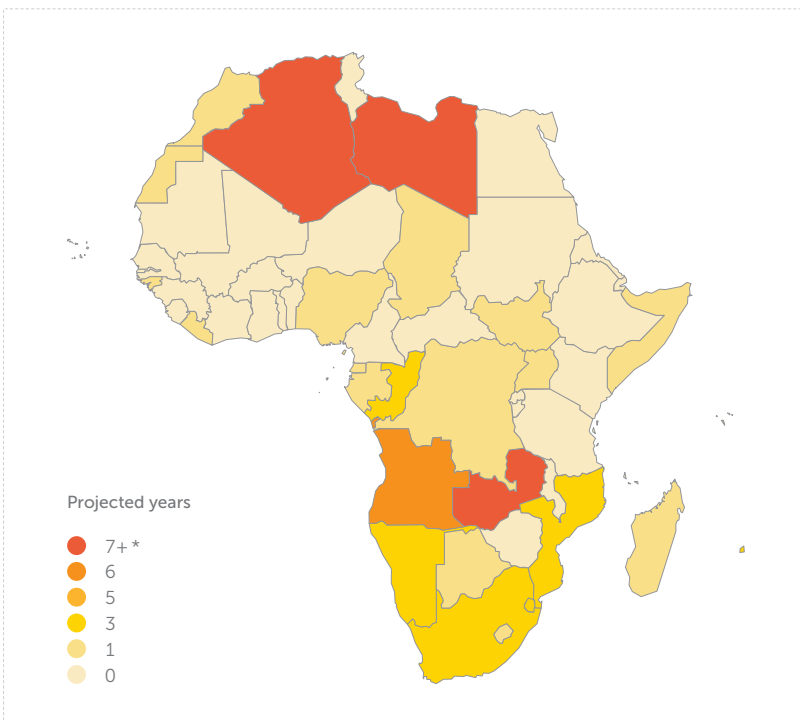
The total loss in Africa's GDP until 2024 is estimated at around \$848.3 billion compared to pre-pandemic projections.



Recovery will be uneven across the continent

Some countries will take seven or more years to recover to pre-COVID-19 GDP levels.

African countries: projected years to reach pre-COVID-19 GDP levels (2020-2026)



South Africa's economy has been the worst hit by the pandemic

No country on the continent saw a bigger discrepancy between projected GDP and actual GDP in 2020, with the latest figures \$67.7 billion lower than projected in 2019.

Source: MIF based on IMF

* 7+: will not have recovered by 2026, latest data year available in current projections

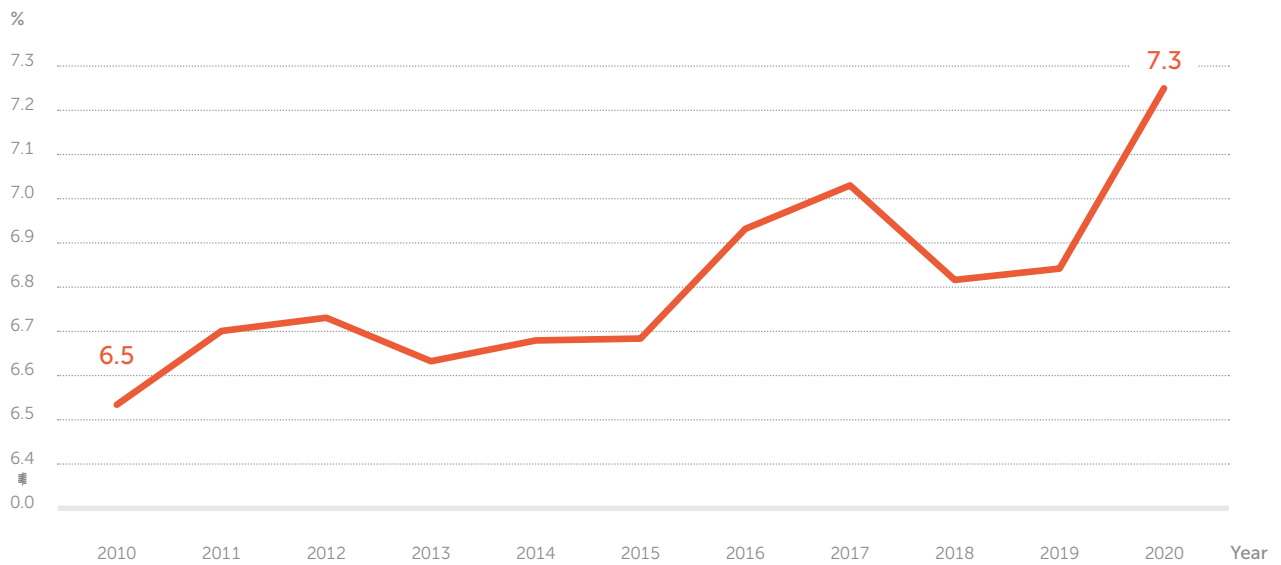
b. Ongoing challenges are exacerbated by the pandemic: unemployment, poverty, inequalities, food insecurity

Lack of jobs: unemployment hits ten-year high

Unemployment in Africa hit its highest level in 10 years in 2020 at 7.3%.

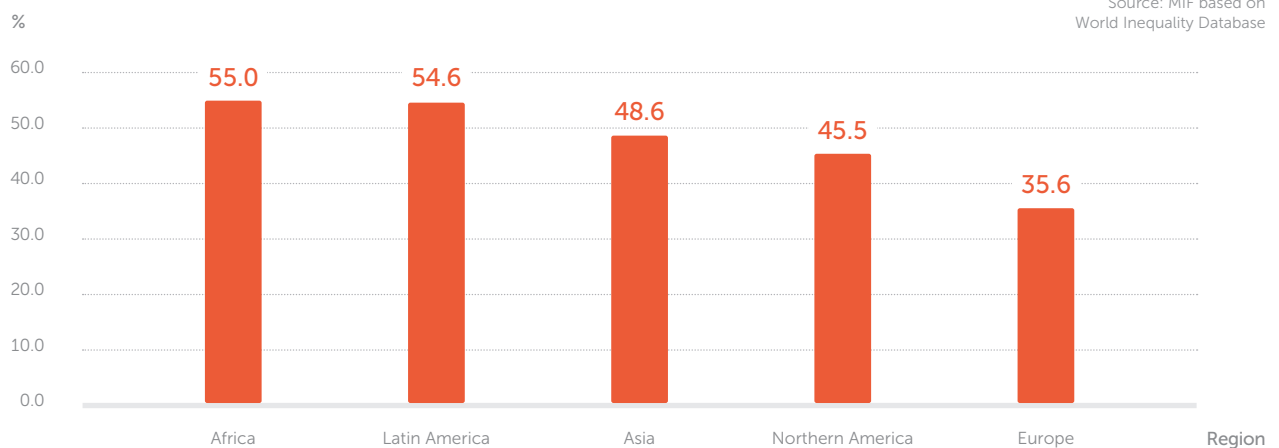
Accounting for 85.8% of total employment on the continent, the most of any world region, Africa's large informal labour force has been particularly hit.

Africa: unemployment rate 15+ (2010-2020)



Source: MIF based on ILO

Selected world regions: top 10% share of total pre-tax national income (2019)



Source: MIF based on World Inequality Database

Already high levels of inequality are widening

Over the past decade, the World Bank's Gini Index shows that seven of the world's ten most unequal countries on average, in terms of income distribution, are African.

In 2019, the richest 10% of Africa's citizens captured 55.0% of income on the continent, the highest of any region for that year, while the poorest 50%, representing 652.2 million people, only captured 8.3% of income.

97.8% of respondents in the 2021 MIF NGN survey think that inequalities also exacerbate the impact of COVID-19 to some or a large extent.

Food insecurity is spiralling

In 2019 Africa already hosted half of the world's food insecure and 36.4% of undernourished people, growing faster than in any other world region, now amounting to almost one fifth of the continent's population.


Over 100 million Africans faced emergency or catastrophic levels of food insecurity in 2020, an increase of +60% from 2019.

The number of extreme poor in Africa could reach 514 million, just short of 40% of the continent's population

Much progress had been achieved in the fight against poverty in recent decades, but the pandemic is threatening to reverse these gains. Between 70 million and 88 million Africans will slide into extreme poverty over the course of 2020 and 2021, bringing the total number of extreme poor in Africa to 514 million, just short of 40% of the continent's population.



In March 2021, food prices were at their highest globally since June 2014



Extreme poverty on the rise for the first time in over 20 years

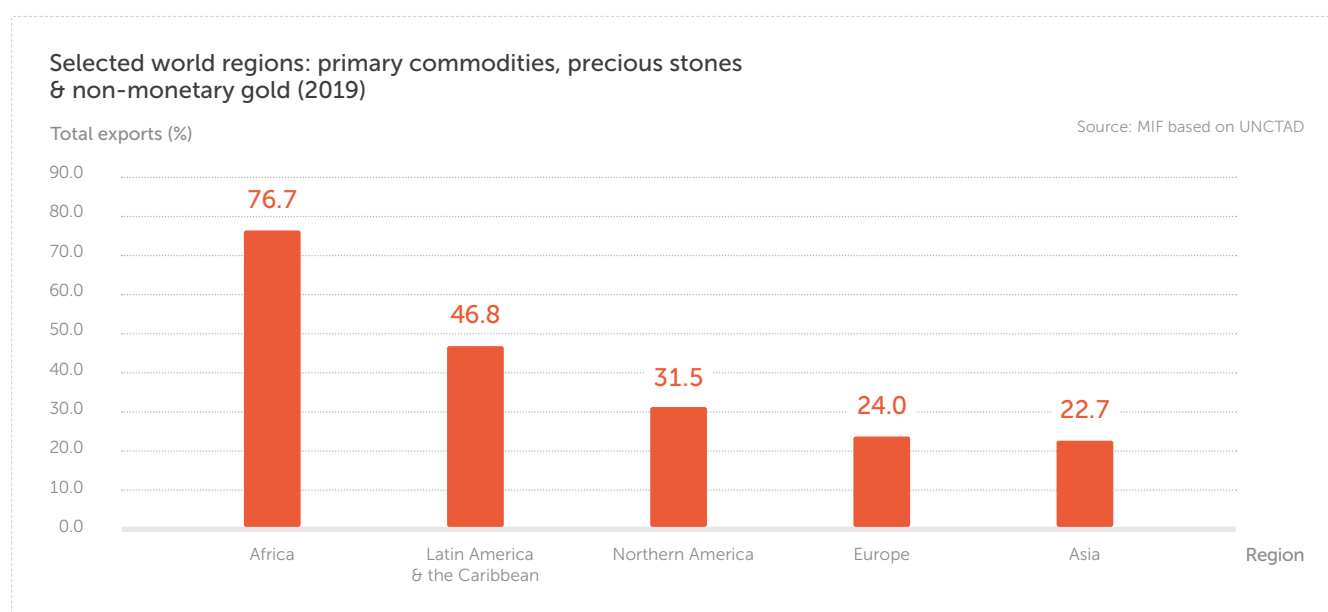
2. THE CRISIS HAS LAID BARE THE STRUCTURAL VULNERABILITY OF AFRICA'S GROWTH MODEL

a. Trade structure leaves the continent overly dependent on external demand and supply

The pandemic has exposed vulnerabilities in the trade structures underpinning Africa's commodity dependent growth model.

Primary commodities and natural resources made up 76.7% of Africa's exports in 2019.

For over 90% of African countries the primary export destination is outside the continent, with China (14 countries) and UAE (10 countries) the most common destinations.



Burgeoning tourism sector set back by crisis

Prior to COVID-19, Africa had the second fastest growing tourism sector in the world, employing around 24 million people in 2019.

International tourist arrivals in Africa in 2020 were down by almost 70% on 2019, while the GDP of tourist dependent economies declined by 11.5%.

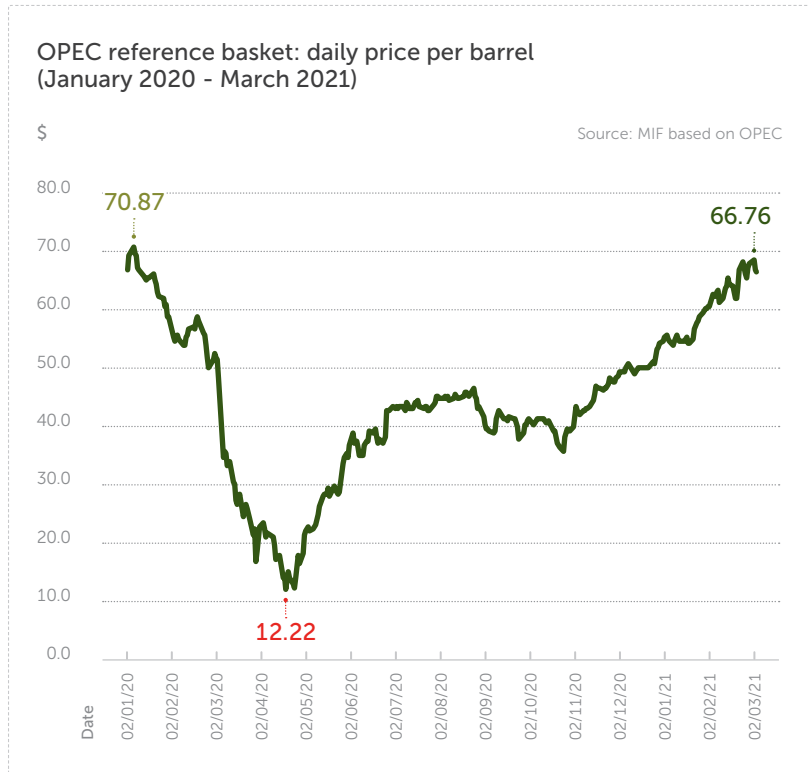
b. Plummeting commodity prices worsen liquidity crisis

Reduced commodity demand saw prices for many commodities fall in the first half of 2020 and contributed to a liquidity crisis for several African governments, and currency depreciations, as seen in Angola and Nigeria.

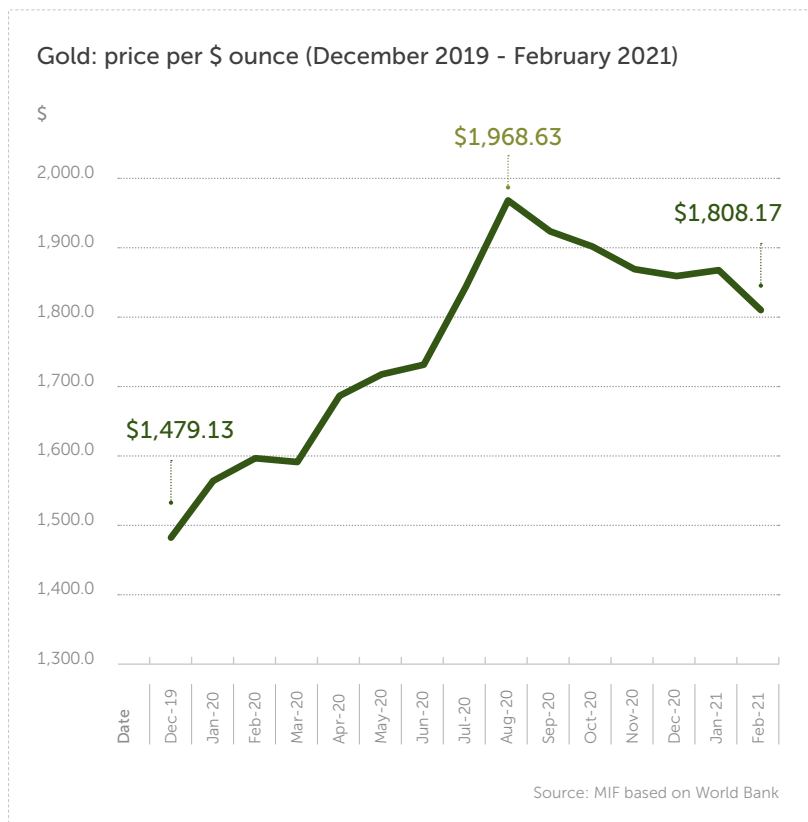
A lack of diversification left countries with little to fall back on. According to the WTO, the output losses reported in Africa in 2020 have been primarily spurred by oil and metal exporting countries.

More diversified economies such as Kenya and Tanzania are expected to have a speedier recovery, while for the extractive giants such as Nigeria, recovery is anticipated to be more sluggish.

Oil prices hit an all-time low, gold prices an all-time high



The pandemic resulted in demand for crude petroleum falling by one third of its typical level. Within the Organization of the Petroleum Exporting Countries (OPEC), of which seven African countries are members, the average barrel price dropped by over -50%, hitting all-time lows.

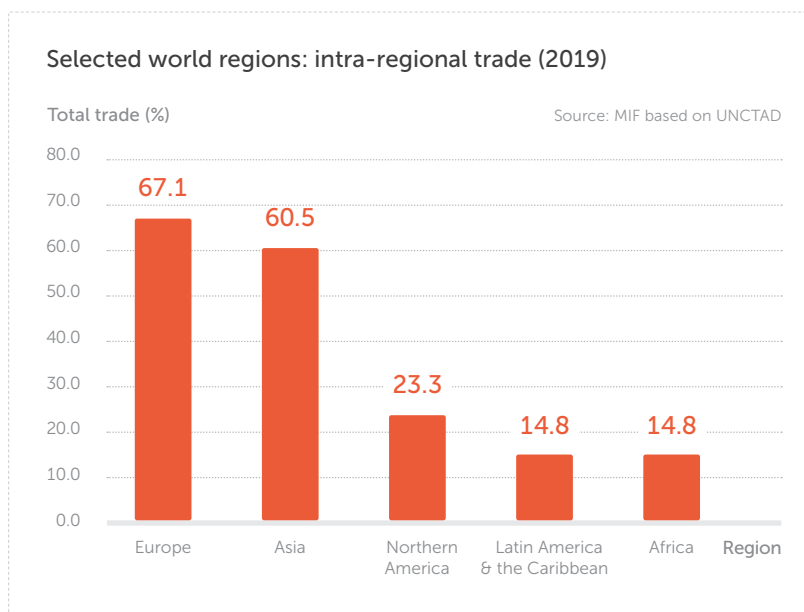


On the other hand, the price of gold rose by almost +30% in 2020, hitting an all-time high, with an average price of \$1,969 per troy ounce in August 2020.

c. Excessive dependency on external supply creates concerning shortages of key goods

Unlike other regions, Africa has limited regional supply chains to fall back on, with intra-continental trade less than 15% of total continental trade in 2019.

The pandemic led to disruptions and shortages in the supply of essential goods, including medical supplies. Supply chain disruption led to food price spikes in many countries, while shortages also contributed to spiralling inflation in some countries.



3. MITIGATION POLICIES ARE HAMPERED BY SQUEEZED FISCAL SPACE AND COMPLEX DEBT BURDEN

a. Limited room for manoeuvre for African countries in terms of monetary and fiscal policy

Lack of monetary flexibility reduces policy options

Across parts of the world much spending has been monetised during the pandemic. But expansive monetary policies are often less effective and more risky for African countries than for more industrialised economies such as the UK or Japan. Many African currencies are considered 'soft currencies', where value is volatile and more reactive to monetary expansion or external market shocks such as COVID-19 compared to 'hard currencies' such as the British Pound or Japanese Yen.

By creating new money, African central banks run greater risk of currency devaluation, capital flight and sovereign credit downgrades than their counterparts in the Global North.

Limited fiscal space reduces capacity to respond

Prior to the pandemic, government revenues in Africa were already below the level needed to finance SDG implementation, with an annual gap estimated at \$200 billion.

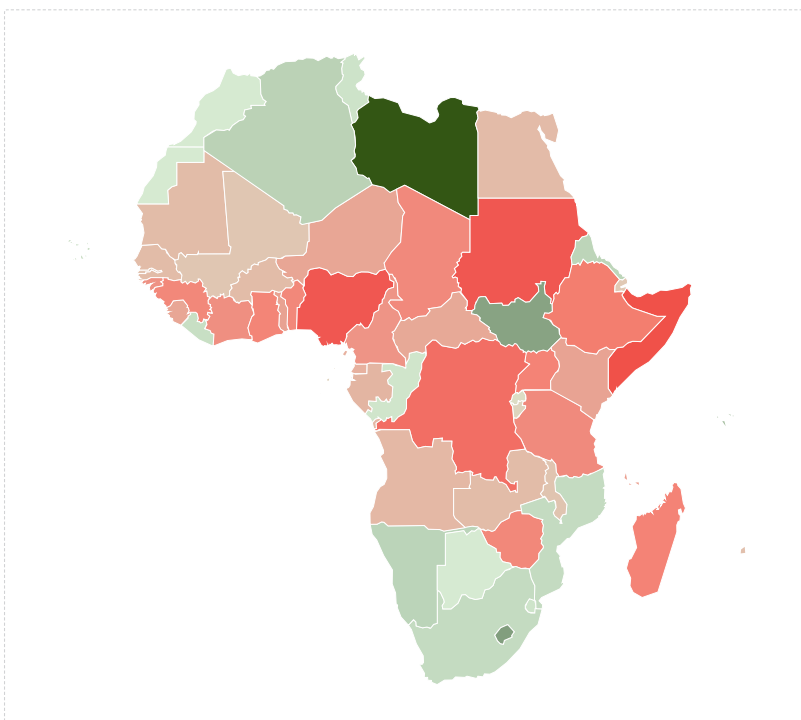
According to the International Monetary Fund (IMF), fiscal revenues in Africa averaged 22.2% of GDP in 2019, a lower rate than either emerging (27.2%) or advanced (35.0%) G20 economies, and less than half the 46.4% recorded in the Eurozone.

Weak tax bases are a major factor contributing to the limited fiscal space of many African countries. In 2018, the average tax-to-GDP ratio in Africa was 16.5%, in comparison to 34.3% across countries in the Organisation for Cooperation and Development (OECD).

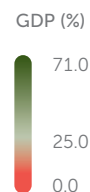
UNCTAD estimates that improving tax efficiency could raise tax revenue by +3.9% of GDP.

COVID-19 recovery in Africa is expected to require an additional \$285 billion in funding between 2021 and 2025

African countries: fiscal revenue (2019)



Nigeria: the continent's largest economy, but third lowest revenue to GDP ratio (7.9%).



Source: MIF based on IMF

Capital flight continues to bleed the continent

Losses from capital flight across 30 African countries between 1970 and 2015 outweigh the total stock of debt owed, plus the total foreign aid received over this period.

The African average trade revenue lost from mis-invoicing between 2008 and 2017 equals to 21.4% of total trade.

Pandemic sees further revenue crunch

The continent lost approximately \$360 million per month in reduced customs revenues during the first wave of the pandemic, and potentially as much as \$4 billion by the end of 2020.

IMF data suggest the continent lost about -12% of fiscal revenue between 2019 and 2020, while the AU projects governments could lose -20% to -30% of their fiscal revenues from the crisis.

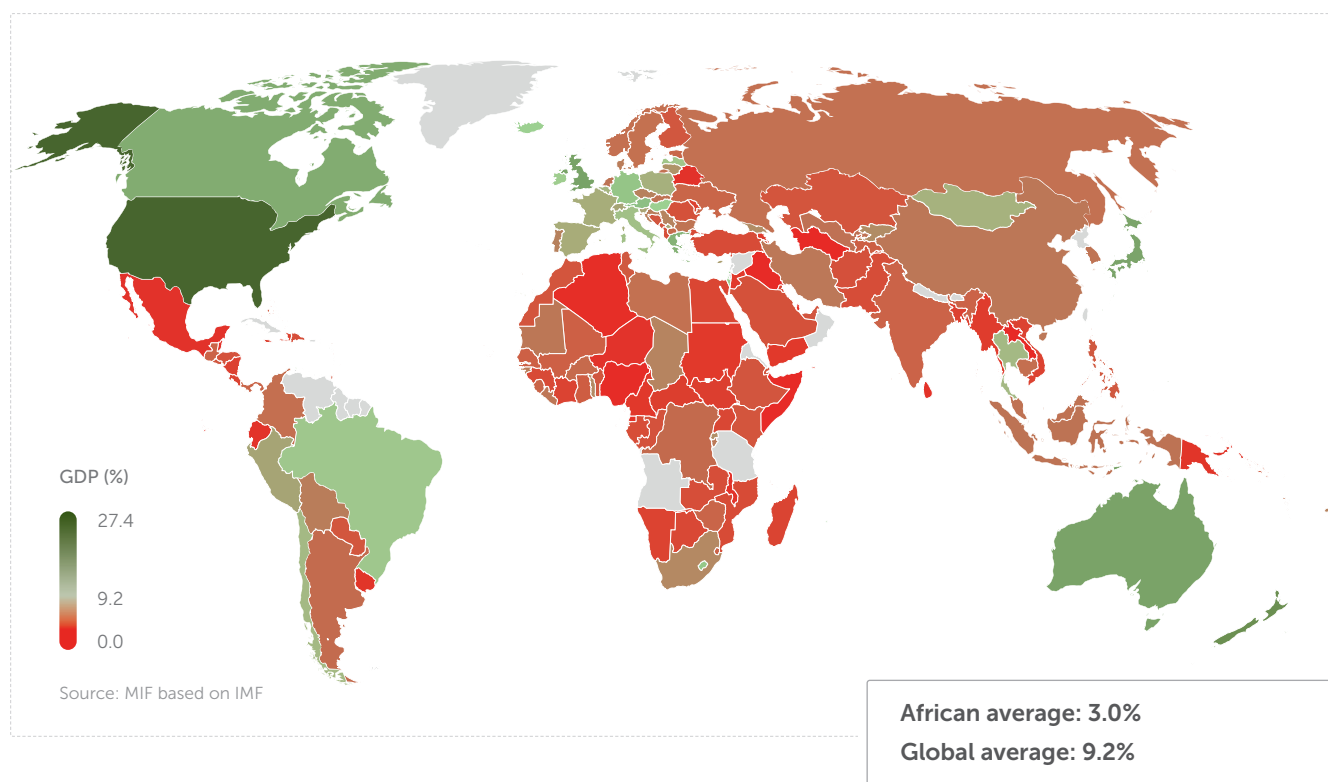
Weak mitigation packages and social safety nets

In 2019, *Social Safety Nets* was among the ten worst scoring IAG indicators (out of 79), having shown zero progress over the decade.

On average, African countries spent 3.0% of GDP on COVID-19 response measures, less than one third of the global average of 9.2%.

As of February 2021, as many as 46 sub-Saharan countries had introduced a total of 166 new social-protection policies. However, initiatives have often excluded many in need of assistance. Beyond fiscal constraints, data gaps have hindered the effectiveness of social safety nets.

World countries: COVID-19 fiscal response measures (2020)



b. Debt burden weighs heavy due to structural challenges

Debt was rising fast prior to the pandemic

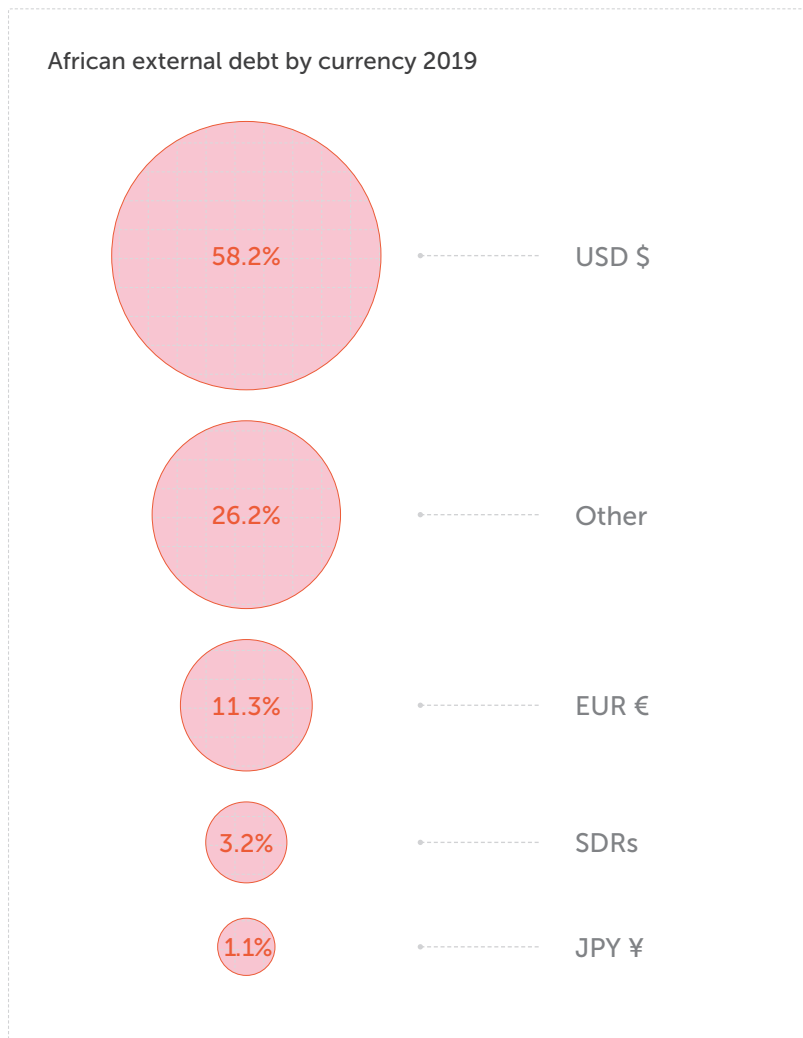
Having increased in 41 African countries since 2010, the African average central government debt to GDP ratio had reached 64.3% in 2019.

In 2019, 25 African countries exceeded the IMF recommended ratio (55.0%), in comparison to seven in 2010.

However, African debt is not uniquely high. In absolute terms African debt is low, while in relative terms it is only just above the global average (56.7%).

Rather, structural challenges in the composition of debt and unstable sources of liquidity make servicing debt uniquely burdensome for African governments.

Most external debt is held in foreign currencies

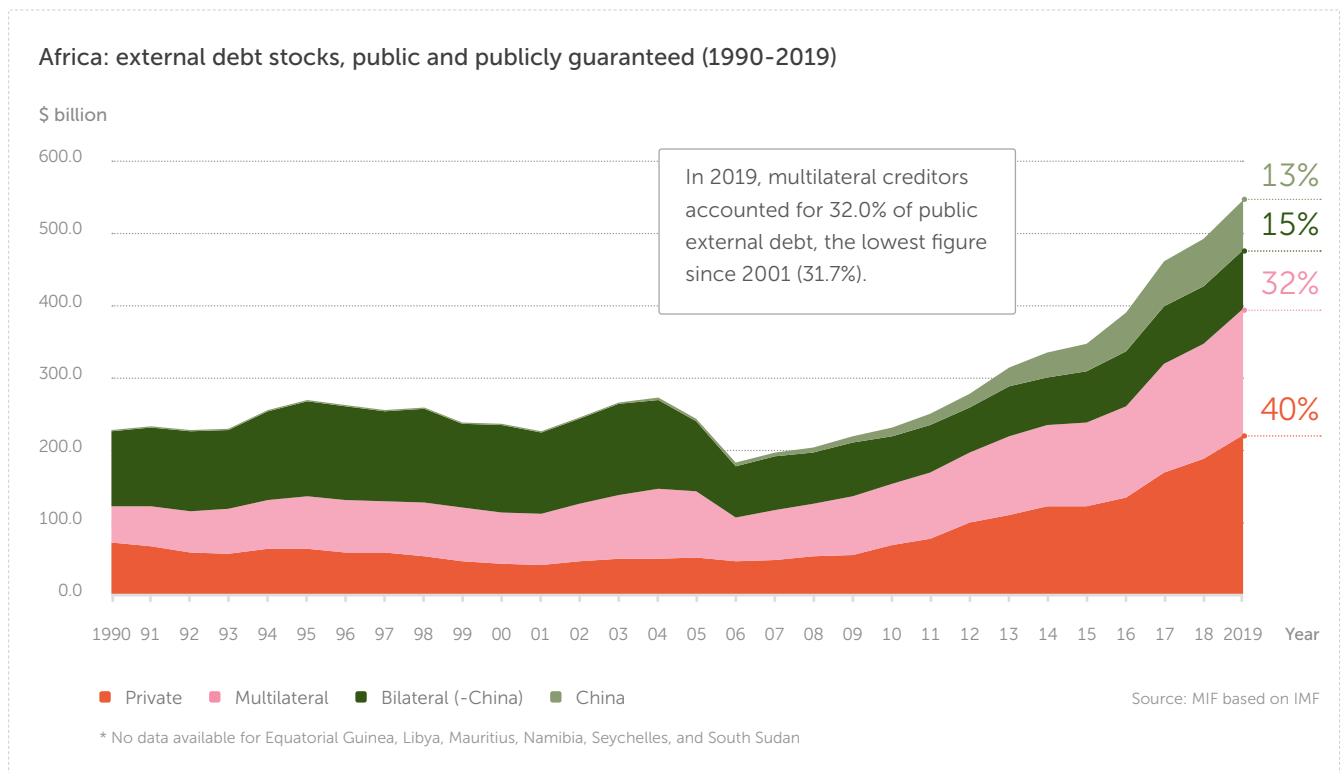


A complex array of creditors complicates Africa's debt situation

The situation is further complicated by Africa's myriad of creditors. In recent years, the composition of Africa's debt has moved away from traditional partners of the Paris Club and International Financial Institutions (IFIs) to private sector lenders and bilateral loans from China.

Privately held debt accounted for 40.3% of total public (or publicly backed) external debt stock in 2019, more than twice the share in 2000 (17.3%).

Concessional debt accounts for 21.6% of Africa's external debt stock in 2019 – the lowest level in 24 years.

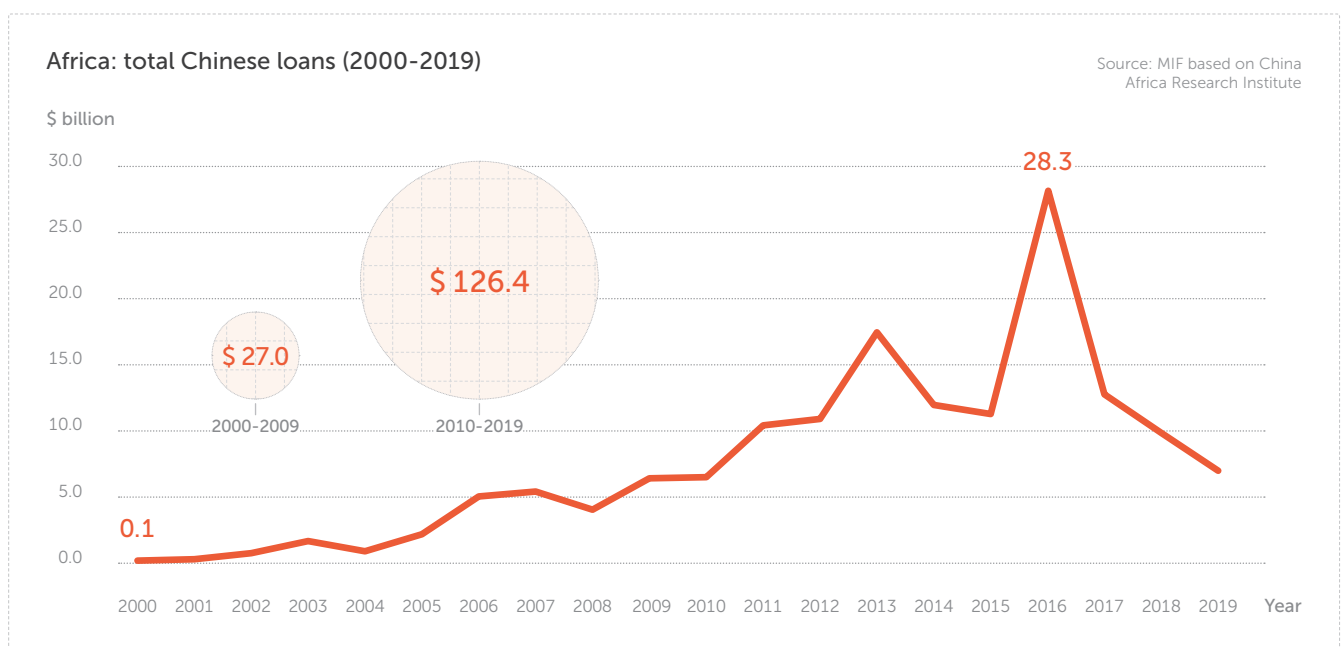


China has become Africa's largest bilateral creditor

59.9% of all Chinese loans to Africa between 2010-2019 went towards power, transport or water projects.

Four countries, Angola (30.1%), Ethiopia (8.8%), Zambia (7.4%) and Kenya (6.9%) account for over 50% of all Chinese loans to Africa between 2010 and 2019.

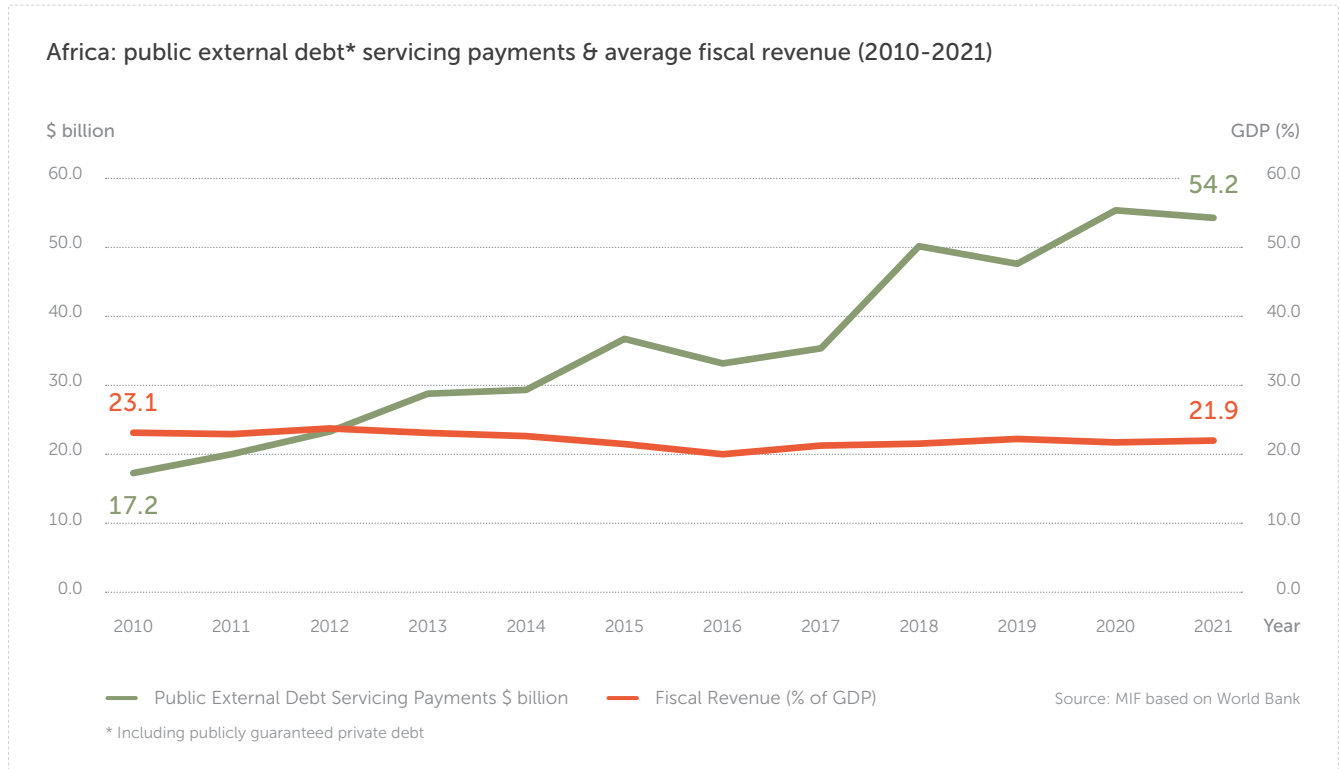
Although Chinese debt is not as financially onerous as private sector debt, interest rates are higher and maturities shorter than concessional debt.



Already rising servicing costs have soared with the pandemic

Servicing payments have more than doubled relative to GDP, while fiscal revenues have declined relative to GDP.

Prior to the pandemic as many as 30 African countries spent more on repaying public debt than on healthcare.



With the pandemic liquidity crunch, countries found themselves unable to meet their debt obligations. Simultaneously, domestic currencies plummeted against the dollar, increasing the cost of debt.

Debt relief: current efforts falling short

Endorsed in April 2020 by the G20, the Debt Service Suspension Initiative (DSSI) has suspended repayments due on bilateral loans made by the G20 members to some of the world's poorest countries. Initially due to expire in December 2020, the initiative has been extended twice, first to June 2021, and now December 2021.

As of April 2021, only Chad, Ethiopia, and Zambia have formally requested restructuring through the G20's Common Framework beyond the DSSI.

However, private creditors have yet to voluntarily come to the table, while neither the World Bank nor IMF have suspended debt servicing repayments as part of the initiative.

The need for liquidity: SDRs as an immediate solution

Following the 2021 Spring Meetings, the IMF has announced the possibility of a new allocation of \$650 billion in Special Drawing Rights (SDRs), for implementation in August.

However, based on the current allocation system, Africa would only get 6.8% of these new SDRs.

The next step is to work on a reallocation mechanism that would benefit priority countries or sectors.

The pandemic has laid bare the structural vulnerabilities present in the continent's economies, while the climate emergency looms heavy, making the need for structural transformation starker than ever.

By 2040 Africa will have the largest potential workforce in the world. While the previous decades' growth failed to provide Africa's workforce, particularly the youth, with sufficient jobs and opportunities, the current crisis can provide the impetus to build back stronger in the coming decades.

It is a unique opportunity to transform Africa's jobless, inequitable, and fragile growth model into one that is self-reliant, resilient, inclusive and green.

a. Diversification, industrialisation and structural transformation: jobs, jobs, jobs

Manufacturing can help foster regional resilience through local supply chains while also creating jobs. Governments can introduce targeted policies that foster the growth of 'industries without smokestacks' that bring similar economic benefits to manufacturing in terms of jobs and diversification.

b. Green recovery strategy is the only way to a sustainable recovery

A green stimulus strategy for Africa could focus on three key areas:

- Resilient infrastructure – build on renewable energy
- Food security – sustainable and resilient food supply
- Green jobs – environmental resilience and rehabilitation

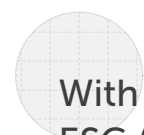
c. The digital economy presents an opportunity to leapfrog

The digital economy is both a source of growth and a key competitive enabler of other productive sectors.

FinTech is a source of real promise and could be used to provide basic financial services to informal workers. Africa already has the world's highest number of mobile money accounts at 300 million, while 72% of Africans now use mobile phones regularly.

d. Social recovery: time for basic income support

A recent United Nations Development Programme (UNDP) working paper calculated that it would be feasible to implement temporary basic income in sub-Saharan Africa with between 0.76 per cent and 2.71 per cent of the region's gross domestic product (GDP).



With \$10 trillion in ESG (Environmental, Social & Governance) capital looking for a return there is a unique opportunity to grow green African financial markets



Africa's recovery must be built on the foundation of good and balanced governance, underpinned by a secure and participatory governance landscape, with a strong rule of law and respect for human rights

e. Redefining Africa’s place in the world economy: regional integration is key

The African Continental Free Trade Area (AfCFTA) can act as a vehicle for structural transformation, spurring intra-regional trade and building continental supply chains.

However, committing to the removal of 90% of tariff barriers will not be enough to achieve this. Non-tariff barriers must be addressed, as well as challenges such as inadequate transport infrastructures, burdensome customs procedures and corruption.

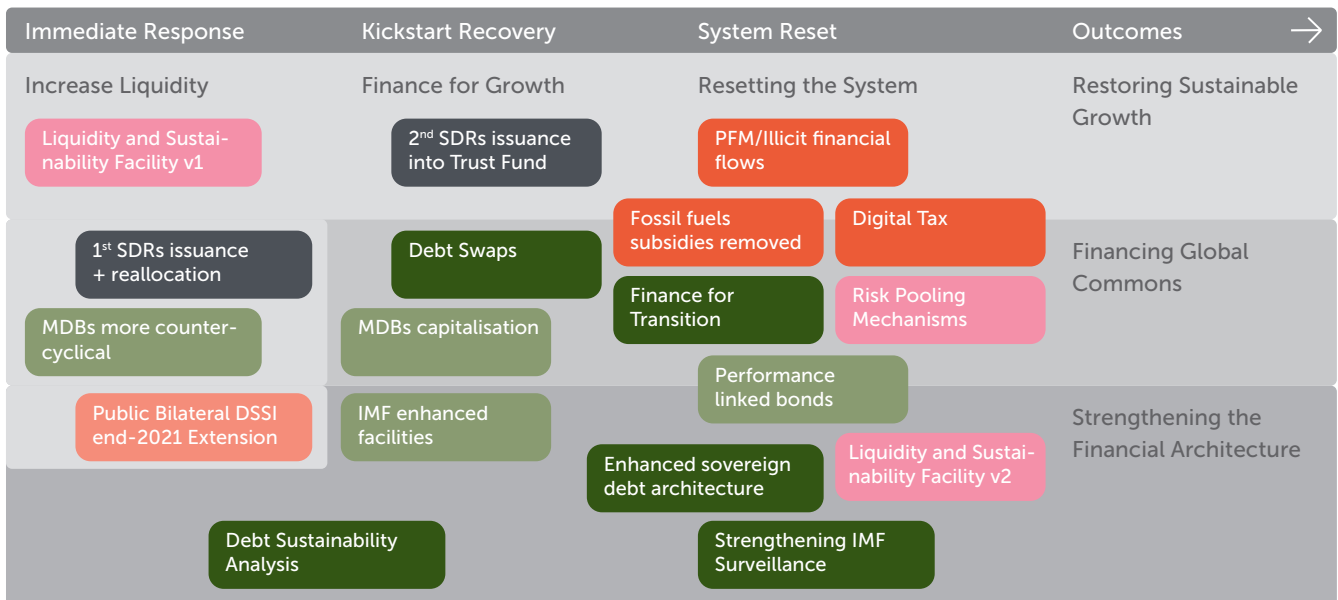
Only with the political will to address these challenges and a good solid governance landscape can the AfCFTA realise its full potential, and the continent find a new place in the global economy.

f. Mobilising domestic revenues and curbing illicit flows

In the long run, no recovery is sustainable without reliable domestic public revenues. Increased fiscal capacity is required beyond volatile resource taxes. In addition to the expansion of domestic resource mobilisation, illicit financial flows must be halted while further financing can also come from multilateral institutions.

The United Nations Economic Commission for Africa (UNECA) has proposed a roadmap of precise, feasible actions by the public and private sectors working together, to restore liquidity, handle insolvency, and build the foundations for recovery, continuing the process of rebooting the system and delivering on Agenda 2063 and the SDGs.

The 18 May 2021 Paris Summit on The Financing of African Economies: a new deal?



- Liquidity facility, risk sharing mechanism proposals
- Revenue related proposals
- IFIs related proposals
- Debt stock and governance issues related proposals
- SDRs related proposals
- Debt suspension proposal

Source: MIF based on UNECA



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